Monday January 25 1982

Gloom over prospects

for early settlement

RAIL PROSPECTS

TODAY and TUESDAY:

British Rail hopes for a near

normal service following yester-

day's strikes. Some services,

particularly on Southern Region,

could be affected by the volnn-

tary overtime and rest day work-

WEDNESDAY and THURS-

DAY: Strike called. All services

will be run down from 10 pm

FRIDAY and SATURDAY: Near

Disruption of services through

unofficial action by drivers or

further intervention to prevent

services being shot down from tomorrow night. This follows

Aslef's refusal, at talks which

stretched into the weekend, to

go to binding arbitration on the

Neither BR nor Acas put for-

ward any firm proposals in the

Improved Midland plants

To: data, collected from 197

companies, regarded by the CBI

as representative of its member-

One in two companies have

developed new products. In " a

has been replaced, thereby

Three out of four companies

have modified existing products.

introducing new technology and

improving productivity, quality

ship in the region, shows:

anticipate resurgence

guards cannot be ruled ont.

SUNDAY: No trains.

dispute.

Advisory, Conciliation and talks, But there was an Arhitration Service were pessimistic about the prospect of any would pay the drivers the dis-

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

COMPANIES throughout the region heavily dependent on

Midlands have introduced manufacturing and regarded as change and improved perform the industrial heartland of ance on a scale sufficient to Britain.

today, the point has now been surprisingly large number of

reached at which structural cases" an entire product range

despite, rather than hecause of cutting costs and raising effici-

recommended — they are • Nearly 70 per cent of the broadly in line with what the companies have broken into

CRI is arguing nationally. It is new markets. Some have

the evidence provided of how switched from engineering to

companies bave responded to coosumer goods or from chemi-

two years of recession in a cals to mining. Dependence on...

of BR pay dispute

BY PHILIP BASSETT, LABOUR STAFF

ALL SIDES in British Rail's dispute with its train drivers

over pay and productivity were

gloomy last night about the

prospects of an early resolu-tion to the current strikes.

The end last night of the

econd of the one-day Sunday

strikes hy members of the Asso-

ciated Society of Locomotive Engineers and Firemen

• The collapse of talks to put

the dispute to binding arbitra-

a warning hy BR that it

would tomorrow consider ead-

ing Sunday payment to ooo-

• undertakings in the High

Court from two drivers' repre-

sentatives that they would ai-

struct their members to ead the

blacking of the Son, the Times and other News Group news-

papers over an article alleging

abuse of prescot work roster-

Aslef is expected tomorrow to

BR, union officials and the

Advisory, Conciliation and Arhitration Service were pessi-

Trise hopes of an economic

resurgence," according to a survey by the West Midlands region

of the Confederation of British

But, says the report published

the hostile economic climate.

Continuing attempts to improve

competitiveness are being under-

The significance of the sur-

mined, it suggests.

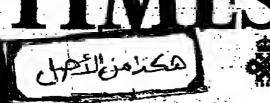
call for a new round of strike

ing arrangements.

action for next week.

followed:

strikers:





FRANCE F. 6.00; GERMANY, DM 2.0; ITALY, L 1,000; NETHERLANDS FI 2.25; NORWAY, Kr 6.00; PORTUGAL Esc 50; SPAIN Pts 85; SWEDEN Kr 6.00; BWITZERLAND Fr 2.0; EIRE 42p; MALTA 30c

puted 3 per cent second stage of last year'ss 11 per cent pay deal—provided Aslef agreed to

be bound by arbitration under

Lord McCarthy chairman of the Railway Staffs National

Acas officials thought thia was a considerable movement

by BR, and bope Aslef may

However

Aslef officials said last might

that there was nothing in BR'a

position for the union to pick

Sir Peter Parker, BR chairman, supported the idea that

about what he said was its

agreement on the crucial pro-

ductivity improvement of more

Mr Pat Lowry, Acas chairman,

contacted all the parties to the

dispute by telephone yesterday.

Acas is reluctant to make an

Continued on Back Page

CBI SURVEY OF MIDLAND COMPANY CHANGES

Developed new products

Introduced more flexible

Restructured management

traditional UK markets has

itions in favour of Europe, the

Half the companies have

Far East and North America.

Continued on Back Page

13

Invested outside UK .

Reduced UK capacity

Engaged in process

Diversified markets

Modified existing products

flexible work rostering.

binding arbitration.

Railway

mond.

Primate calls for freedom

Glemi, in a strongly worded ser-mon said yesterday that curbs on freedom could lead to pro-ted, rebellion and even war.

His sermon will be seen as a demand for concessions from Polish leader General Wojiech Jaruzelski, It has been endorsed by Pope John Paul. Page 2

Polish trade union Solidarity reported that Polish dissident Anka Kowalska was serieusly ill in internment.

Rape case move The woman at the centre of the Glasgow rape fow is to privately prosecute her alleged attackers, ner solicitor said.

Gas tragedy

A Doncaster detective facing a rape charge was found dead, apparently gassed. His brother turned on the unit gas fire by mistake, causing an explosion damaging 16 houses.

Ulster shooting A 21-year-old Armagh man; shot dead by soldiers who thought

he had a gun, had been on bail accused of making petrol. Pajetta riposte

Giancanlo Pajedia, Traffan Con-munist Party foreign affairs spokeeman, rejected Soviet cripcism of the movement and acrosed the Soviet party of arrogant interference, Page 2

Rome arrests

Police at Mappicing Accords Rome, arrested a Syrian man and a West German woman accused of possessing 12 elec-fric detonators and three false passports. in locked with

Zia plea to Soviets President Zir of Pakistan appealed in Belgrade for the Soviet Union to withdraw troops from neighbouring Afghanistan.

Hint on taxes

The Covernment may have scope in the Budget for modest tax relief, according to official indications detected by Tory MPs. Back Page

Ripper costs

Yorkshire County Council said the Ripper hunt cost 14m for police overtime and appealed to the Government to pay the bill

Shipping curbs

West Enropean countries plan of Enrope to the countries of Enrope to the co

'End infiltration' Community Party general secretary Gordon McLennan called for an end to the alleged infil-tration of his party by MI5.

Mayor's appeal

Bethlebem mayor Elias Frej called on Israel and the PLO to recognise one another and ia trying to get other West Bank mayors to back him.

Shell shocked

Valuable oyster beds in the Solent are being attacked by Euro tingles — small snails which drill through the oyster shells and eat the meat.

Lady Reed, widow of film director Sir Carol Reed, died aged

Temperature in Melbourne, where West Indies played Australia at cricket, reached .117F (47C).

CONTENTS

Design: Britain's missing Lombard: Samuel Brittan link 12 on Pyhrric win for Budget wets 13 European glass: a cosy Justinian: telex's role in arrangement shatters ... 13 contract law defined ... 9 computer Editorial comment: Finnish consensus; how business

power costs fall 18 Management: the cost of Survey: Vehicle Fleet-man-

human stress 10 agement Inset

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BUSINESS

Fall in BL share of car market

AUSTRIA Sch. 15; BELGIUM Fr 30;

داراروم

 BL's share of the UK car market fell to 14 per cent in the first three weeks of this year after rising to 19.2 per cent last year. Back Page; Low morale, Page 5

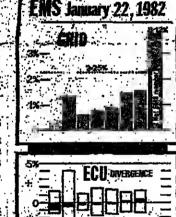
About 1,000 workers at Ley land Vehicles' Bathgate plant near Edinburgh bave volunteered for redundancy. Page 8

• U.S. CAR WORKERS voted to resume talks with General Motors and Ford, renewing hopes of early agreement on wage contracts. Page 2

• EEC governments may today agree guidelines for Community reform with a formula for milk production and the reso lution of the British budget dispute. Back Page; Textiles pact, Page 2

TRADING among members of the European Monetary System was fairly quiet last week. Intervention by central banks to hold down the dollar as European interest rates fell, in contrast to rising Eurodilar rates, caused no significant prob-lems for the EMS, and all members stayed within agreed

The Belgian franc remained the weakest currency, but improved slightly. The Dutch guilder stayed above the French franc at the top of the system. Cuts in Dutch and German central bank interest rates had little impact and the only other point of note was a weakening of the Trish punt and Danish krone.



The chart shows the two constraints on European Monetary System exchange rates. The upper grid based on the weakest currency in the system defines the cross rates from which no currency (except the line) may move more than 2s per cent. The lower chart gives each currency's divergence from the "control rate" against the European "central rate" against the European Currency Unit (ECU) itself a basket of European currencies

BRITAIN is to ask Japan to agree to lower air fares oo the London-Tokyo route in talks which start in Tokyo today.

Page 3 • LABOUR PARTY and union leaders are to discuss proposals for involving a future Labour government in key corporate decisions, such as pricing strategy and product develop

ment. Back Page • LORRY DRIVERS in Wales rejected a pay offer worth 8 per cent. Page 8

· CARR, SEBAG, the City stockbroker, has made 20 employees redundant as part of a reorganisation programme. Page 4

• MARATHON OIL, the 17th largest U.S. oil group recently acquired by U.S. Steel, reported profits of \$543m (£183m) for last year, \$36m down on 1980.

 ICL and U.S. groups Control Data and NCR are taking part in a rescue operation for the U.S. computer printer manufacturer Centronics. Page 4

IBM move on UK switchboards BY GUY DE JONQUIERES INTERNATIONAL can help councils 12 Machines, the American company which is the world's leading manufacturer of data pro-

cessing equipment, is set to make a new move into the UK telecommunications market. The company is seeking Buitisb Telecom approval for a sophisticated new system designed to link separate telephone switchboards and enable

them to function as though they were a single unit. At present the only telecom munications products which IBM supplies in Britain are private

developed several years ago. IBM says that its new system, known as Integrated Networking System (INS), has oo direct competitors in the UK. It is

claimed to make more efficient use of companies' private leased telephone circuits, while re- Poole trying to obtain a busy required to operate switch-

The first INS is being installed on a pilot basis, together with two 1750 PBXs, at American branch exchanges (PBXs). It (AEIBC). IBM plans trials of callers.

sells two models, the 3750 and two other systems soon, so that the 1750, both of which were they can be evaluated by British Telecom INS will enable operators at

AEIBC's London headquarters to control an unmanned switchboard at the bank's new offices in Poole, Dorset. An AEIBC employee in

ducing the number of staff extension in the London head quarters will he called back automatically once the number is free. There will also be facilities for three-way "conference calls" between staff in Express International Banking the two offices and outside

Russian grain crop 'again poor'

RUSSIA APPEARS to have suffered a third consecutive poor The Kremin has announced

a number of statistics which paint a bleak picture of the Soviet Union's industrial and agricultural performance. But in an unusual break with normal practice, it omitted to give figures for wheat, maize,

barley or rye.

The failure to give grain figures has reinforced the belief among Western analysts that the harvest io 1981 may have been one of the worst for years. President Leonid Brezhnev has already acknowledged a "poor harvest

Acas should set up its own com-Kremlin economic planners forecast a 1981 grain harvest mittee of inquiry into the dis-pute. if Aslef was refusing of 238m to 240m metric tons. U.S. Agriculture Department Acknowledging that such an analysts bave predicted a inquiry would place only a "moral obligation" on the Soviet grain crop of about 175m tons for 1981. uoion, Sir Peter said it might give Aslef a "new clarity"

Some Western analysts in Moscow said that this U.S. estimate could turn out on the generous side.

The planned annual grain yield for the 1981-85 period is 239m tonnes, more than the record harvest of 237,4m tonnes in 1978. If the U.S. estimate is correct

then Soviet grain farmers must produce 255m metric tonnes, far above their record yield in each of the next four harvests, to meet plan targets.
In 1980 farmers harvested

189.2m tonnes of grain, 46m tonnes short of the planned 235m tonnes, and in 1979 gathered 179m tonnes, below the planned 226m. well

Shortage of grain at home means that the Soviet Union must turn abroad for food, and reduces the scope for helping Eastern Bloc neighbours like Poland with their food

Last year, despite a partial U.S. grain embargo, the Soviet Union imported a record 34.5m metric tonnes of grain. President Ronald Reagan lifted the embargo last April, and on October 1 the U.S. said it would

allow Russia to buy a maximum of grain For Soviet citizens the poor project. harvest will inevitably mean longer queues for less food. But, apparently to calm Russians' fears, the Government news-45 50 paper Izvestia said that State resources would provide a full supply of bread and hread pro-

been reduced by foreign acquis-As a whole the Soviet economy grew by more than 3 per cent in 1981, though production in some key industrial sectors, particularly coal, fell below target.

Polish news, Page 2

Paris and Kremlin agree on gas pipeline contract

BY TERRY DODSWORTH IN PARIS

reached agreement at weekend on a new natural gas supply contract which forms part of the complex negotia-

Russian gas pipeline project. The deal, concluded at an emergeocy session early on Saturday, is the first significant contract signed between Russia and the West since the Polish crisis erupted in December.

It follows a period of intense discussions within the French Government about the advisability of going abead fully with the project, which will mean that about 30 per cept of France's gas will come from Rusisa by the end of this

Despite pressure from the U.S., the French Socialist Government decided to continue with the agreements as originally planned, partly because of the aim of diminishoriginally ing dependence on Middle East

Under the cutback Russia is to supply France with an additional 8bn cubic metres of gas annually for 25 years from 1984, the date at which the pipeline is planned to he in ser-

Prices have not been disclosed, in common with most international agreements of this

But it is possible that Gaz de France, the French nationalised gas service, has been able to get a slightly better deal out of Soyuzgas, the Soviet gas export company, that that agreed with the West Germans, said to be about \$4.75 per million British thermat units. In addition to this base price.

set to apply from the middle of last year, the French are helieved to have arranged an indexing system determined by a hasket of energy products. There wil also be a minimum

price applicable during the contract, aimed at guaranteeing gas. A similar minimum price

clause was written Into the West German agreement, mainly to give the Russians a base on which to plan their own \$15bn investments in the export pipeline from western Siberia.

Agreement on the gas contract with the French, who have been far more critical of Soviet interference in Poland than the West Germans, will undoubtedly give the Russians a considerable boost in their moves to keep the

pipeline programme on course

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FRANCE and the Soviet Uolon. In the face of the recent U.S.

Deals have now been signed for delivery of well over half the 40bn cubic metres of gas planned for the project, West Germany taking 10.5bn cubic metres annually, Italy S.5hn, and France 8bn.

The Soyuzgas negotiators are expected to start further talks in the immediate future with Austria, Holland, Belgium and Switzerland on delivery of the remaining 13bn cubic metres.

The French authorities have promised a statement within a few days which is expected to shed more light on the argu-ments for going ahead with the contract.

But the French Government has already made it clear, through M Jacques Attali one of President Francois Mitterrand's closest advisers, that it does not consider that the new deal will make the country dangerously dependent on Russian eoergy.

Although Soviet gas supplies are going up, oll deliveries to Fraoce will decline, and a level of 5 per cent dependence on Russian energy was acceptable, said M Attali.

France is clearly not prepared as yet to undo the strong trade links developed with the Soviet Union over the last few years, though she has recently shown signs of hardening her attitude to export of hightechnology equipment.

The pipeline project, in par-nicular, will be extremely important to French industry. Contracts have already been signed for a total of FFr 4.5bn (\$776m) worth of malerial, including the Creuset-Loire part of the general management deal, separate agreement for Creuset-Loire stations, and a Thomson Group contract to supply a computerised system for measuring and controlling the flow of the

total of about FFr 10bn, might come France's way out of the total project costed at around FFr 55bo (\$10hn).

Because of the U.S. emhargo on export to Russiai of oil and gas equipment, French contractors are privately questioning whether the deal will go through on the planned time-

possibility of renegotiating the whole deal, but for the time being work on ordered equipment continues.

TUC predicts 5m. unemployed

BY JOHN LLOYD, LABOUR CORRESPONDENT

vey lies less in the policy actions and reliability. . . .

real number of unemployed will rise to over five million by the

It has called for a relationary package of £8.4bn in the next Budget to begin the road back to full employment.

A draft of the TUC's annual economic review, which will be considered by its general council on Wednesday and published within the next few weeks, also

· A sustained growth rate of 4 per cent a year — unprece-dented for more than one year at a time in the UK - and a sharp reversal of the negative growth rates of between -2.5 per cent and -3 per cent in the last two years.

• A "central planning body" on the lines of the Japanese trade and industry ministry and the French planning machinery. A planned approach to trade. including an "orderly" depreci-ation of sterling and "temporselective import controls" in such sectors as textiles, motor vehicles, electrical goods, footwear and coal. • The replacement of the Government'a Medium Term Financial Strategy with a "med-ium term growth strategy."

TUC involvement in the

Business

allocates public spending bodgets by departments.

 Statutory rights for unions to information from and consultation by companies and to representation at board level. The review will be the main subject of a full meeting of the TUC/Labour Party liaison

committee meeting today. At several points, the draft refers to the previous work of the committee and stresses the common approach of the party and the TUC.

The level of expansion proposed by the TUC has increased by more than £2bn from last year's review figure of £6bn. This year, the TUC argues that the £8.4bn reflation - or 4 per cent of GDP - is necessary because "unemployment is far greater than last year, and the further year of recession has left more unused resources."

The review notes that a number of other bodies and individuals had taken up the £6bn expansion figure in the past year, but says "these other alternatives are inadequate in scale when compared with the size of recovery needed. The review splits the gross

THE TUC has forecast that the annual Public Expenditure Sur- £8.4hn figure down to a capital vey Committee, the top programme of £2.1bn on house Whitehall officials' group which and road building, inner city schemes and investment in the nationalised industries, health services and education; a £1bn manpower and training strategy; £600m as aid to industry; £500m in relxation of the nationalised industries' external financing limits; £1,2bo on social expenditure, mainly increased pensions; £660m to local education authorities and universities; £225m to local authorities; and a cut in the rate of all VAT from 15 per

cent to 12.5 per cent ata cost

of £2bn. In a pasage which may be con-tested by some left-wing union leaders, the final section of the review proposes a National Economic Assessment-a mechanism already mooted by the TUC/Labour Party liaison committee in its document " Econo mic Issues Facing the Next Labour Governmen" — which would "embrace such issues as the share of the national income going to profits, to earnings from employment, to rents, to social benefits and other in-

Corporate planning role, Back Page



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Improve your image.

THE UNITED Auto Workers voted over the weekend to reand Ford on agreements to cut production costs in return for ;

more job security.
Talks on new contracts which would run until September 1983 | opened two weeks ago. A deadline for fresh discussions with General Motors which will be neld in Defroit has been set for today to address Poland's Parmidnight Thursday. The talks with Ford are expected to start

The negotiations come when The negotiations come when warned, in his pastoral message the U.S. for industry has been to be read out from Poland's hit hy recession at home and 18,00 Opulpits, that curbs on by a flood of cheap imported freedom could lead to protest, Japanese cars,

To try to regain some com [Pope John Paul firmly positive edge an agreement endorsed the pastoral letter's would aim at holding down To try to regain some com would aim at holding down labour costs by introducing a wage freeze and eliminating other fringe henefits, as well as reducing the number of paid was broadcast by Polish radio holidays. In return GM, the within the framework of the largest U.S. car manufacturer, weekly Sunday mass, broadcasts has indicated it would be pre- of which resumed last week. pared to reduce car prices. The idea is that cheaper car prices would stimulate sales and make for better job security.

large enough to cut current car prices by at least \$1,000 (£531) it as soon as possible". each. Anything less, GM says, reviving flagging car sales, especially at a lime when U.S. interest rates seem set for an upward rehound.

The rank and file appears disgruntled by the scale of con-cessions demanded by GM's

Washington: President Reagan help harrow the U.S. hudget deficit for fiscal 1983. Senator Howard Baker, the Republican majority leader in the Senate, said yesterday. He stressed, however, that Mr Reagan had not yet made a final decision.

Mr Baker, an advocate of -increased taxes on such items ras tobacco, alcohol and petrol, for action in line with the said that he would still support the President even if he announced no lax increases in i his State of the Union speech tomorrow night.

UAW votes | Polish Primate calls for restoration of freedoms

BY CHRISTOPHER BOBINSKI IN WARSAW

ARCHBISHOP JOZEF GLEMP. the Polish Primate, yesterday delivered a strongly worded sermon designed to raise morale in the country and to calm fears that the Chorch was being too conciliatory in its approach to the authorities.

His words will be seen as a demand for concessions from General Wojciech Jaruzelski. the Polish leader, who is due liament in its first session since martial law was declared.

Archhishop Glemp rebellion and even war.

demands for a restoration of freedoms, speaking to pilgrims in St Peter's Square yesterday.] Archbishop Glemp's sermon was broadcast by Polish radio

The Archbishop repeatedly referred to internees held hy the authorities and called on families "to say the rosary at GM is looking for concessions home so that those who have lost their liberty should regain

Polish Government's preliminary figures for this economic pian guarter's assume an 8 to 10 per cent drop in industrial production against the same period last year, our Warsaw correspondent reports.

Mr Zbigniew Madej, the Government planning chief who is also Deputy Premier, admitted that the shortage of hard currency was now the main limitation on the economy and was slowing down the import of raw materials.

Plans up to April project a 7 per cent rise in coal output and nearly 5 per cent in cement, but copper produc-tion is to fall by 5.4 per cent, steel goods by 28 per cent and oil products by 21 per cent.

must provide reliable information. This was a criticism of the present official propaganda policy overseen by Mr Stefan Olszowski, a party secretary noted for his hard-line views. But it is also aimed at the Western press and radio stations which broadcast to

"Neither rulers nor ruled each. Anything less, GM says, He also said that the mass should have lies used against coalition of Church, Communist would have little impact in media, both at home and abroad, them, or he slandered in the Party and Solidarity.

fervour of the struggle. Their faults should not be exaggerated, their merits should not be played down, nor should they be made fun of," the Primate said. This was clearly a criticism of the tone of various clandestine leaflets produced by Solidarity activists. "We must pull ourselves out

of this situation together," he said. referring both to society and to the authorities. "But unity can only be achieved through dialogue and dialogue. can only be held in an atmosphere of truth."

The Primate reminded his listeners: "The time God has granted us is a gift. It should not be wasted through sloth, bitterness, apathy, discouragement. These things are not worthy of a Christian. This remark should be greeted by the authorities with

some satisfaction as it goes against calls by Solidarity leaflets for passive resistance, especially at work.

Agencies add: Ryszard Reiff has been dismissed as leader of Pax, the Catholic organisation which has had a record of collaboration with Government but which bas recently been taking more independent line. Mr Reiff had been advocating a

U.S. keeps up pressure on allies

BY JOHN WYLES IN BRUSSELS

its allies at the weekend to is "leaning against" increased | mount sanctions against Poland exclic taxes on luxury items to and the Soviet Union but officials are now clearly reconciled to a slow and varied response from Europe,

At a weekend meeting of the North Atlantic Treaty Organisation's council, Mr Robert Hormats. Assistant Secretary of State for Economic Affairs, reminded the allies of the need declaration issued by the Nato Foreign Ministers on January

This committed Nato memhers to considering a variety

dialogue hetween the Govern- Saturday. ment, the Church and Solidarity.

both Poland and the Soviet Soviet diplomats and to cut back Union aimed at stepping up on hilateral exchanges with pressure for the release of Moscow. Most governments will detainees, the lifting of martial also mark the international day law and the restoration of a of solidarity with Solidarity next

During a paragraph by para- munity Governments implied graph examination of the that the meeting of Community January 11 communique, various - Foreign Minsters today and delegations gave details on tomorrow might announce Saturday of the modest further moves. EEC officials measures which are either say, however, that the Ministers to the modest further moves that the Ministers and Ministers to day and the modest further moves that the Ministers to day and the modest further moves the heing taken or under considera- are unlikely to do more than promote further technical Most Governments were studies on restricting imports represented by their Nato from the Soviet Union. But ambassadors plus economic any action on this front risks experts. According to a senior a veto by Greece which is U.S. official the allies have opposed to economic sanctions.

Italian party denounced

BY OUR MOSCOW CORRESPONDENT AND MANES BUXTON IN ROME

a stance on Poland which favoured anti-Communist forces.

The attack in Pravda, the Soviet party daily, follows strong criticism by Sig Enrico Berlinguer, the Italian party's leader, and his colleagues, of

SENIOR officials of the Euro-pean Economic Community meet in Brussels today in an

effort to clear the way for a

Council of Ministers' meeting

on January 26 on low-cost tex-

tile imports policy.

The EEC trade ministers had

heen scheduled to endorse the

new protocol, negotiated last

December in Geneva, extending

the Multi-fibre Agreement (MFA) governing international

However, a number of unresolved questions are setting

governments against one another and against the European

Commission. Until these prob-

textile trading until 1986.

THE KREMLIN angrily de-nounced the leadership of the party's foreign affairs spokes-Italian Communist Party man, rejected the Soviet attack, yesterday, accusing it of taking He accused the Soviet Com-He accused the Soviet Communist Party of "arrogant

Pravda, in a 3,500-word article, dismissed a charge that Moscow had interferred in Poland's affairs. It accused Sig Moscow's role in the Polish Berlinguer and his colleagues crisis.

Berlinguer and his colleagues of denigrating world socialism

EEC TALKS ON MULTI-FIBRE AGREEMENT

PORTUGAL,

The Reginald Dale writes from THE U.S. kept up pressure on of national measures against begun to tighten restrictions on

The official said that representatives of European Com-

While the argument has revealed a significant tactical

the Administration's plans. fore aiming to avoid further conflicts with the Constitutional Council.

Smoothing the way for textile pact

BY GILES MERRITT IN BRUSSELS

which once

hoped to join the European

Economic Community early

next year, may not be able

to sign the treaty of accession before the end of this year, putting its joining date back

to possibly mid-or late 1984,

Dlana Smith reports from

Sr Francisco Pinto Balse-

mao, Prime Minister, said

lems are settled, the future of

The EEC, whose textile im-



M Maurey: aims to avoid further conflicts

Snags for troubled French Bill

By Terry Dodsworth in Paris

THE French Government has run into further difficulties with its nationalisation project as a result of moves both by its own Parliamentary supporters and of share-holders in Matra, the high technology company which is on the nationalisation list.

The problem derives from changes in the Nationalisation Bill brought in by the Government in response to criticisms from the Constitutional Coun-

cit of the original project.
According to the Parliamentary Socialist group, some of the Government alterations are over-generous. It has therefore put down three main amendments, aimed at keeping three co-operative banks out of the scope of nationalis-ation, while bringing nonquoted hanks more quickly into the project, and freezing

sales of foreign subsidiaries. The Communist Party, the minority partner in the ruling Parliamentary majority, has also introduced an amendment designed to finance the extra cost of the changes initiated by the Constitutional Council indgment through an additional wealth tax.

The amendments clearly reveal the irritation of the Parliamentary Party over the Constitutional Council decis-ion, widely attacked on the Left as a judgment which will slow up the programme, while making it more expensive for the nation to the advantage of well-heeled shareholders.

difference between the Government and the Socialist Party, it is unlikely to lead to a serious modification of M Pierre Mauroy, the Prime Minister, has clearly stated that his main consideration is to push through the nationalisation programme as quickly as possible, and he is there-

Mugabe attacks multinationals over prices

BY OUR SALISBURY CORRESPONDENT

ZIMBABIVE's Prime Minister, reading last week. The Chamber Mr Robert Mugabe, has again of Mines, representing the ing companies for "selling mining houses of the Zimbahwe Government's Minerals Marketing Corporation Bill and warn-ings that this legislation will deter new investment.

Mr Mngabe said his Government was taking steps to ensure that the country's wealth was "handed back to the people." Reporting the speech, the Sunday Mail said the Prime Mimster had accused the mining multi-nationals of "milking" the country.

Speaking in Shona, the Prime Minister was reported to have accused the U.S. Union Carbide Group of experting its ferro-chrome to its associate company in the U.S. at "give away" prices. At a rally yesterday Mr Mugabe mentioned the Anglo American Corporation and Rio Tinto in a similar context. The Minerals Marketing Corp-

attacked the multinational min- major mining houses, has come out strongly against the legis-lation which will lead to the minerals abroad at unaccept lation which will lead to the ably low prices." The Prime Minister was speaking, against a background of criticism by the The Prime Minister claimed The Prime Minister claimed

that there were buyers overseas willing to pay more for the country's mineral exports than the present prices. "We would like to sell to the people who pay the most", he said.

He also promised that in this year of "national transformation" changes would be made in industry and farming. "We shall not take away white farms but some of them are so big that they will have to be reduced and the land handed back to the people."

Mr Mugabe dismissed criticism by the former Prime Miinster, Mr Ian Smith over the aleged torture of a 61-year-old white MP, Mr Wall Stutisford, who has been defizined without trial for six weeks. Mr Mugabe recalled that he, himself, had been detained for more than 10 oration Bill was given its first years by Mr Smith.

Iranian 'ambitions' top agenda for Gulf talks

BY JAMES DORSEY IN KUWAIT

DEFENCE Ministers of the six weapons systems and an nation Council meet today in the Saudi-Arabian capital Riyadh, amid growing concern about Iranian ambitions in the area and anxiety about that country's successes in the Gulf war against Iraq, which is now in its sixteenth month.

The Defence Ministers of Arabia, Kuwait the United Arah Emirates, Bahrain, Qatar and Oman are expected to discuss a joint Gulf security

Gulf Co-operation improvement in communication hetween the six countries' joint chiefs of staff.

The six states are particularly concerned about Iranian inten-tions following the discovery last month of an alleged Iranian plot to overthrow the Government of Bahrain. Concern has been heightened by Iranian battlefield successes against Iraq. Bahrain has asked its fellow

members of the Gulf Conneil to break off diplomatic and econointegration of their mic relations with Iran.

Outlook remains bleak for Israel's economy

BY L DANIEL IN TEL AVIV

THE OUTLOOK for the Israeli from 133 per cent in 1930 to 101 per cent last year.

The most optimistic forecasts

see inflation falling to 90 per cent. This estimate is based on the 475bn shekel (£15.7bn) draft budget for the 1982-1983 fiscal year starting in two months, which was presented to the Government yesterday.

The budget is roughly equiva economy remains bleak, even lent to this year's in real terms.
though the Government It was presented later than exmanaged to reduce inflation pected because of ministerial differences over proposed cuts.

The Treasury has been unable persuade the Education Minister to agree to a 7.5 per cent budget reduction. The Minister for Social Welfare has also protested against sharp cuts. The defence budget will remain unchanged.

Both foreign and domestic debt repayments will rise steeply forcing the Govern-ment to prune subsidies for basic foods. This is expected to raise the price of these commodities to the consumer by 50 per cent during the year.

The Government aims to save costs in the Civil Service through natural wastage.

Malaysia confirms British tanks deal

THE MALAYSIAN Govern ment has signed a contract to buy 51 British Scorplon tanks and armoured oper-sonnel carlers, worth about 100m ringgit (£24m) under Malaysia's armed forces ex-pansion programme accord-ing to Premier Mahathir Mohamad, AP reports from

Kmala Lumpur.

But he said the purchase agreement with Alvis of Coventry was signed before his directive in early October

limiting the purchase of British-made goods. Mr Mahathir, angered by Britain's rise in fees for Malaysian students and other actions, ordered the Malay-sian Government to givepreference to non-British made goods.

"We have to honour the pledge to buy the tanks as the contract was signed.

before the announcement on he directive was made," the Prime Minister said. Mr Mahathir teld a Press

conference that the Government stood firm on its deciconcerning British He said that the Government, in making future purchases, would continue to seek a suitable alternative to

British-manufactured goods.
Everything else being squal,
we will still not buy British
goods," he said.

Egypt 'under no U.S. pressure'

Egypt feels no pressure from the U.S. to cancinde an agreement with Esrael over autonomy for the Palestinians in the West Rank and the Gaza Strip lefters larael's final withdrawal from Sinal on April 25, President Hosni Muharak was quoted as saying yesterday in an inter-view in the newspaper Al-Akhbar, Anthony McDennon

reports from Cairo.

Israel has been pressing for such an agreement before he withdrawal. But Mr Alexander Haig, the U.S. Secretary of State, during his last visit here earlier this mouth, skied with Egypt on

this point.

Mr. Haig is due back in Egypt on Thursday after visiting Israel.

African response to Namibia plan

The formal response of African front-line states and the South West Africa Peoples Organisation (Swape) to the first phase of current Nami-bian independence negotiations will be considered by the five-member Western contact groups, expected to meet in Bonn carry this week, writes Michael Holman

Ministers from the frontline states—Angola, Botswana, Mozambique, Tanzania, Zambia and Zimbabwe—together with Nigeria and Kenya, met in the Zambian capital of Lusaka at a weekend conference

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COMPANY NOTICES

NORGES KOMMUNALBANK

74% 1971/1986 UA Loan

ds are those NOT YET PREVIOUSLY REDEEMED at 10102 to to 11949 feet

532 to 536 irri-530 to 691 bct. 766 1145 to 1150 mcl. 1251 1273 to 1281 mcl. 1374 and 1545 1598 and 1689 1290 to 1927 incl. to 1927 incl.

THE TRUSTEE

PSP & COMPANY (U.K.) LIMITED

Clydesdale Bank

BASE

RATE

Clydesdale Bank

Limited announces

that with effect from

25th January 1982

its Base Rate for

lending is being

reduced from 14½%

to 14% per annum.

Extract from Audited Accounts at 31st December, 1981

•	1981
	€ 00
Paid-up Capital	7,500
Retained Profits	8
Subordinated Loan	5, 23
Deposits	102, 259
oans	103, 93
lotal Assets	144, 613
rofits before Taxation	407
after Taxation	26



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ports from the countries party the renewed MFA remains in to the MFA run at an estimated doubt. \$10bn (£5.3bn) a year, is the most important partner in the Protectionist pressures inside

yesterday that some of the

most sensitive dossiers—which

include agriculture, textiles

and movement of manpower-

might not he completed

before the end of the year.

before leaving Lisbon yester-

day for meetings this week

with Community leaders in Brussels, Luxembourg and

Copenhagen

Sr Balsemao was speaking

a number of Community countries—notably Britain, France and Italy—Greaten, however, to force an EEC walkout from the MFA, unless bilateral import agreements that would substantially nullify the effects of the multi-lateral MFA are conchided this year. Although it had seemed that

renewal of the MFA, which itself iovolved protracted negotiations between the EEC and Third World producers, would establish a new textile trading regime, it is clear that signapreliminary to involved intra-EEC wranging. Some observers believe the wrangling could last for much of this year. At issue are the limits that the EEC will from next year set on all low-cost textile imports, and

be met by exporting countries to prevent the EEC from quit-The differences between EEC covernments that will dominate today's preparatory meeting in Brussels and the Ministerial Council on Tuesday centre on the bilateral importing agreements that the European Commission hopes to start negotiat-ing in May with MFA countries

the terms that would need to

and others that have preferen-tial status with the EEC. The Commission is still being pressed to produce consolidated figures showing what the impact on Community textile industries of new import levels would be. Until it does so, agreement on

the "global ceilings" that will determine the overall volume of future EEC textile imports seems unlikely.

In the meantime, EEC governments have still to settle their disagreements over the terms attached to the Community's acceptance of the renewed MFA. Although at the Geneva talks last month the EEC cantioned that on October 31 this year it

may decide to give notice that

it will leave the MFA at the end of 1982, West Germany and the Brussels Commission are both attempting to have that condition relaxed. The Bonn Government understood to be contesting the procedure under which EEC governments would need to take

positive decision to remain in the MFA, while the Commission is urging that the October 31 deadline shoud be ahandoned, or extended until the end of this year.

TSB BASE RATE

With effect from the close of business on Monday 25th January 1982. and until further notice TSB Base Rate will be 14% per annum.

TRUSTEE SAVINGS BANKS
Central Board,
P.O. Box 33, 3 Copthall Avenue, London EC2P2AB.

Big rise

in Swiss

exports

By John Wicks in Zurich

The country's

SWISS ARMS exports rose

by one-balf last year to reach a figure of SwFr 511.5m (£142m). Major markets were

Vigeria, with SwFr 149.9m. Tederal Germany with

Federal Germany with SwFr 143.7m and Austria with SwFr 76.1m.

Ministry bas stressed that the sudden increase of exports

last year represents n change in Governmen

change in Government policy on the export of arms, but is due to fluctuations in

the completion of orders. The 1981 exports sum is said to

fall short of the record figure.

while arms delivertes last year amounted to only the 1979

Swiss merchandise exports, compared with more than 1

per cent between 1976 and

Swiss law forbids the sale

of arms in which hostilities

are taking place or threaten to take place. The Defence Ministry says that a number

of unspecified applications for

export permits were turned

arms

Chance for Laker in Pacifie as Japan air talks begin

THE UK and Japan open four days of talks on civil aviation tomorrow against a background of acute tension between the two countries on bhateral trade

In the talks Britain will ask Japan to agree to lower fares on the London-Tokyo route and to give its blessing to the start of transpacific flights by Laker Always of the UK and Cathay Pacific of Hong Kong.

Japan is believed to be pre-pared to discuss the lowering of air fares—although not to the levels proposed by the UK.

So far as the Cathay and Laker transposite flights are concerned discussion will centre on capacity the number of flights and the type of aircraft, to be used. The existing UK-Japan air agreement already allows British airlines to fly the Pacific from Tokyo (although no British sirling has flown the route for the past 10 years).
The UK-Japan talks are the first full discussions to be held between the two sides since 1977, although preliminary

meetings were held in London last autmun. Relations between the UK and Japan have been generally smooth in the aviation field, but Japan is said to be unhappy both at Britain's desire to introduce low fares into the Pacific region and at what it regards as unfair diversion of traffic away from the direct Tokyo-London route by cheap Hong Kong-London fares.

Japan claims that about 10 per cent of the roughly 200,000 passengers per year who would normally fly between Tokyo and London have been making the trip via Hong Kong since Britain introduced low fares (and a doubling of capacity) on the Heng Kong ronte in July 1980. The UK response appears to be that the way to deal with this situation is to introduce more attractive fares on the Tokyo-London route. Apex fares—low fares for passengers who make advance bookings within a stipulated period—are expected to be pro-posed by the British side in this context.

World Economic Indicators

FOREIGN EXCHANGE RESERVES

a wide from the cus	.\$m)		_
Nov. '81	Oct. '81	Sept. '87	Nov. '80
U.S. 10,732	10,417	10.050	8,735
U.K. 13,117	12,799	12,919	19,560
W. Germany 40,387	40,166	43,075	43,775
France 19,518	19,464	19,649	26,595
Italy 17,020	17,291	17,489	21,424
Japan 25,035	24,775	24.342	21,267
Netherlands 7.961	7,581	7,192	10,180
Balgium 4,099	3,932	3,990	6,761
the Theory of the Control of the Con		Source:	IMF

Yorkshire Bank **Base Rate**

With effect from 25th January 1982

Base Rate will bechanged from 14½% to 14%p.a.



Yorkshire Bank

Reg. Office: 20 Merrion Way Leeds LS2 8NZ

Midland Bank Interest Rates

Effective from 25th January 1982.

Base Rate

Reduces by 1/2% to 14% per annum.

Deposit Accounts

Interest paid quarterly on 7 day daposit accounts reduces by 1/4% to 111/2% p.a. APR 12.0%.

Abatement Allowance

On ledger credit balances of current accounts which are subject to the standard personal current account tariff and do not qualify for free terms reduces by 1/2% to 71/2% p.a.





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For further delasts contact: lan M. Hutchison, G. Eng., Dip.I.P., M.I.Mun.E., M.R.I.P., Industrial

W. German tyre maker gets Japan foothold

CONTINENTAL, the leading West German tyre producer, has gained a footbold in the Japanese original equipment tyre market with an order to supply tyres to Isnzu, the Japanese automobile group in which General Motors of the U.S. has a large minority

The tyres, which will be imported by Yanase, the Japanese importer which also handles sales of Volkswagen and Daimler-Benz cars in Japan, will be used by Isuzu for its prestige Plazza model. The order, worth around DM 700,000 (£162,000) involves tyres for some 2,500 cars. The contract, while small, is a further indication of Continental's continuing efforts to break into the Japanese market.

announced it had signed a preliminary agreement with the Toyo Rubber Industry Company in Osaka, which is expected to lead to the Japanese group acquiring Continental technology. It will manufacture tyres for the German group for marketing under the Continental name.

To date Continental has achieved only minimal sales in the Jananese market amount ing to around 100,000 tyres a market. Continental has annual sales of around 19m car tyres and 3.5m truck and

Japanese tyre makers have also made little impression on the European car tyre market, bolding less than 1 per cent of the West German car tyre market and around 10 per cent of the truck tyre market.

Soviet order for Hoechst

By Our Frankfurt Staff

UHDE, the West German pro cess plant engineering subsidiary of Hoechst, bas won a DM 600m (£140m) contract to build a polyester filament plant in the Soviet Union.

The order was signed last

week with the Soviet foreign trade organisation, Techmachimport in Moscow, and was won against-Japanese and European competition.

The plant will be located in Mogilev, 500 km to the west of Moscow, and will be the fifth major polyester plant built by Uhde in the USSR. It is expected to come on stream in

plant will be paid for partly through compensation trade, but not with products coming directly from the polyester plant. Under the terms of the contract production from the plant cannot be sold into western markets.

Uhde has already built three polyester plants in Mosilev. A year aso Uhde won a DM 400m order for a 24,000 tonnes a year polyester filament plant to be built at Svetlegorsk to the south

Cold weather hinders U.S. coal shipments

By Our Shipping Correspondent

SHIPPING markets remained confused last week, with no end to the tonnage surplus in the tanker sector in sight and cold U.S. weather hindering coal shipments from East On the iron ere front, talks

between producing countries and the buyers yielded no agreement on price and a further round of talks will be held early next month, Galbraith Wrightson said. Thus there is likely to be little iron ore shipping activity in February as lack of demand for steel during the of demand for steel during the recession leads mills to resist

producer demand for price rises of np to 30 per cent. Bad weather has affected coal shipping along the npper reaches of the Mississippi, while the movement of coal in and out of the Eastern seaboard in the U.S. has been halted by coal stocks and rail-

way points freezing np.
This has caused problems
for the Japanese whose coal imports from Australia are already being hampered by

labour disputes there. This should lead to greater demand for coal from Sonth Africa, but there are doubts about the ability of that country to raise its export

quotas in time.
As for freight rates, there was a drop to \$9.50 a ton on the U.S. Gulf-Enrope grain run. Simpson Spence and Young Shiphrokers said the only hope for 1982 was that stocks of raw materials may fall, causing a sudden rush at the end of the year to replace

This would cause considerable congestion, as in Ham-pton Roads in the Eastern U.S. early last year when 170 ships were anchored waiting to load coal, and a hardening

Mark Webster on efforts to develop tourism within Africa

Hoteliers see high growth potential

people make their way lahoriously through the border posts from Nigeria or Ghana to spend their time quietly in the five-star Beach Hotel of Sarakawa, Lome-Togo.

Even though the journey from Lagos, the Nigerian capital, involves two herders and can take five or six bours. ex-patriates and Africans alike feel it worthwhile in order to spend some time in the relative peace and quiet of Togo.

Inter-African tourism is a relatively new phenomenon in west Africa, but it is catching on fast. As a result, the Paris-based PLM Hotel group will start the first inter-African charters this year to try to boost it further.
"We are sure it is a market

with immense potential," said M Guy Catharine, the commer-cial director for PLM in west "We want to make it easier for someone on the coast to discover the Sahelian couetries and for those far from the water to have a few days by the

To begin with, PLM will use an aircraft of the Ivory Coast's internal airline, Air Ivoire,

BY JAMES BUXTON IN ROME

better than 1981 for tourism in

other signs indicate improve-

In the number of foreign

tourist arrivals through last

July, official figures for the first

nine months of 1981 show a

considerable gloom.

predicting this year will be the same period of 1980.

Italy, Despite the continuing that period todtalled 14.5m. The

recession in Italy and in number of bed-nights by

Europe, tour hookings and foreigners fell 10.3 per cent to

about a 15 to 20 per cent fall total number of tourist arrivals

EVERY WEEKEND, dozens of which will run between the still prove attractive to many mated to be killing more than people make their way lahori- Nigerian capital, Niamey, and visitors.

1.000 animals a year. Here in Nigerian capital, Niamey, and Ahidian, the capital of the Ivory

Using small aircraft with between 18 to 85 seats, the hotel group hopes to persuade people use the series of five small bush botels which bave been built in Ivory Coast, Niger, Benin, Togo and Upper Volta by the respective governments.

less isolated and some are set in game parks. Although the game is not as abundant as in east Africa, PLM believes that relatively unspoiled nature the West African parks will

Arrivals by foreigners during

84.7m. But the gap was almost

completely made up by increased numbers of Italians

visiting their own country: the

fell only 1.1 per cent to 42.9m.

and bed-nights by 1.7 per cent



ITALIAN TRAVEL agents are foreign visitors, compared with sbarp in the June-September ment of 24 per cent). The posi-

smaller drop of 8.8 per cent in drop in foreign tourists was less figure of 14,336bn (an improve-cheap inclusive tours

"There is no question in this venture of trying to compete with East Africa," said M Catharine, who lived for a number of years in Nairobi. "We are trying to get some-thing really new off the ground."

One of the problems the tourist is bound to encounter is the effects of progressive poaching of animals through the game The small hotels are more or parks. In Upper Volta the situation has become so bad that in four or five years there will be practically no wild life left, according to one expert. Upper Volta alone they are esti-

1.000 animals a year. Here in Benin the Government caught 20 poschers last year.

The peachers kill indiscri-minately, and leopards and antelopes are rapidly disappearscene. Calls for urgent Government action to curb the smugglers' activities have so far gone unanswered.

Even so, we are convinced that with the wide variety of animals which remain we can attract many people from the cities," said M Catharine.

cities." said M Camarine.
PLM has 12 hotels throughout the five countries of the Conseil de l'Entente—a friendly poli-tical grouping within Francophone West Africa. There are plans to expand in the Congo-lese capital of Brazzaville, as we'll as Contonou, the Benin capital, and io Senegal and

In order to encourage people to move about more easily and to avoid the long hours of delay at the frontiers, the Togolese head of state, President Grassingbe Eyadema, is trying to encourage the use of a common passport. In the mean-time, travellers will have to

payments deficit on trade for the same period of L9,302bn.

from abroad is attributed to a

range of factors including the

recession, the fact that Italy is more expensive than some other

Mediterranean destinations such

as Greece, Yugoslavia and

Snain, and that Italy's tourist

The drop in tourist arrivals

peak months, suggesting that tive tourist spending balance

on tourist spending for the first iedustry is less well-endowed nine months of the year, com- than that of some other coun-

the earlier gloom was partly

season (affected by lack of

snow in the Alps) and slow arrivals in the spring. West

Germans are normally the most

numerous visitors, followed by

surplus of L5,395bn (£2.34bn)

The figures show that the pared with the 1980 equivalent tries with large hotels and

Swiss and French.

down last year. Desnite this. Italy predicts resurgence in foreign visits

working party for armaments control and an arms export ban" has criticised what it calls a massive rise in deliveries abroad of military material. It also claims that Swiss restrictions on the sale

conntries are avoided by selling arms through foreign Car sales in Switzerland bit a new peak last year with Japanese makes, np 23.7 per cent, pacing the trend on wbat is considered the world's

most competitive market, AP reports from Berne. Overall sales totalled 219,418 units. 3.7 per cent more than in 1980, according to a survey released by the Swiss Anto-mobile Importers Association. Volkswagen increased its sales by 3.1 per cent to 33,907.

We were in America 1000 years ago.

Scandinavian Bank opens in Los Angeles

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Carr, Sebag makes 20 employees redundant

By John Moore

CARR, SERAG, the City stock-broker, bas made more than 20 of its employees redundant. The recent move is part of an extensive reorganisation pro-gramme planned by the firm, one of London's biggest broking

partnersbips.

The redundancies out of its 350 staff are understood to have been made in the group's "back-office" operations.

Last week the firm said it is

olanning to offer its overseas oartners a larger equity stake in W. L. Carr Overseas, the subsidiary which bandles the firm's profitzole Far Eastern business Carr, Sebag which has been re-evaluating its role in stock-

proking for some time, has been in talks with various parties which might help it reduce the cost of its private considering a joint operation with Brewin Dolphin, a small proking firm with spare back office computer capacity.

Twickenham seat

casts Alliance shadow A DISPUTE over the potentially promising Alliance seat of Twickenham in South West London is threatening to cast a shadow over tomorrew's crucial meeting between Liberal and SDP leaders consider the re-opening of nation-wide negotiations over

seats between the two parties.
Representatives of the two parties will meet in Richmond. Surrey to try to resolve the situation. But, at present both parties are insisting on fighting the seat, where the Liberals came second in 1979.

Representatives of the two parties in Sussex agreed at the weekenn to recommend to their members that the Liberals should fight eight of 15 constituencies in the county, and the SDP seven.

At tomorrow's meeting, SDP and Liberal leaders will decide whether enough progress has been made in those areas where negotiations have begun to justify opening talks in the 17 areas where negotiations had not started before the row blew up last month between the Social Democrats and Liberals

Threat to Tower Hamlets' services

TOWER HAMLETS council, in London's East End. told the Government that it can no longer meet all its statutory social services' obligations. After discussions with the

borough, the Department of Health and Social Security, said "We are now considering what further action, if any, will be taken."

The borough, with a 25 per cent male unemployment and highest proportion of children in care in the country, bad to revise its 1981-82 budget by £3m, to £56m, to avoid being penalised. This year it is being asked to make the maximum 7 per cent cut in spending to come within Government guide-

GLC director of architecture

MR PETER JONES, acting director of architecture at the Greater London Council since November 1980 ,has been confirmed as director of architecture and superintending architect of metropolitan buildings.

New tractor engine development

THE PERKINS Diesel Engine Company is to invest £6m on the development of a new tractor engine which will give a smoother and quieter ride. New machining and assembly facilities at its factory in Peter borough, Cambridgeshire, will be set up in May. The first engines will come off the pro-

ACC board to discuss Ronson bid

who has taken over the directors in the courts. A count manship of Associated Communications Corporation from hearing on the action will take place today. Lord Grade and who is bidding £36m for the entertainments group, has called a board meeting for this morning.

The ACC board will discuss the counter offer for the group made on Friday by Mr Gerald Runson, bead of Heron Corpora-tion, one of Britain's largest private companies.

Mr Ronson is offering £46.6m

has taken over the chair- has brought against ACC

Heron is seeking to stop Lord Grade's vital voting shareholding of 27.6 per cent passing to Mr Holmes à Court, and prevent

other directors from selling ont their shares to the Australian. Other directors bolding 36

It emerged yesterday that Mr Ronson had held informal discussions with Burton, the clothing group, last year over a possible acquisition but the talks bad not reached an advanced stage.

à Court, and ACC as a comper cent of the voting equity pany. Heron is seeking a dec-have given irrevocable under-laration that any transfer of consultancy services for the takings to accept the offer from any ordinary share in ACC in group.

MR ROBERT Holmes à Court, for ACC, subject to the outcome Mr Holmes à Court's Bell favour of the Bell Group, un the Australian entrepreneur, of a legal action which Heron Group. less made in conformity with the Articles of Association of ACC and the Broadcasting Act of 1981, "is or will be void and/or voidable and of no effect."

Heron was yesterday studying the next round of its legal cam-Lord Grade and nine other bid it is its intention to retain directors, including Mr Holmes Lord Grade's service to retain a Court and ACC are paign with its advisers.

Lord Grade's services. Lord Grade would become life presi

Move towards improved accounting rules

BY DUNCAN CAMPBELL-SMITH

THE ACCOUNTANCY profes- accounts directly comparable tents of 10-year financial sum- requirements are met by historision will today take another with another's. important step towards evolving an agreed approach to company accounts which can help the layman understand them in the face of inflation's distorting effects.

Current Cost Accounting (CCA), usually seen as the biggest advance to date, was acknowledged at the time of its introduction-in Statement of Standard Accounting Practice No 16—to have a key limitation in this respect. It enables accounts to reflect specific price changes affecting the company within each year but does nothing to reflect general infla-

The Accounting Standards Committee, the profession's internal reform body, is pub-lishing a discussion paper which it bopes will lead to the imple-

mentation of supplementary

adjustments to this end under

The paper proposes that where CCA sterling amounts are set out for purposes of comparison between different years, those from the past should be restated in current nounds to offset the changing value of money.

SSAP 16.

Prior year figures for both the profit and loss statement and the balance sheet would be thus tion and make one year's adjusted, as well as the con-

maries.

cost indices for the adjustment process is rejected as "unsuitable both in theory and in practice." A general andex instead is recommended. The Retail Prices Index is suggested as a satisfactory compromise between administrative convenience and the broader base of more sophisticated

Where a company uses only CCA figures, the paper says that company law would probably prior year figures adjusted in this way to be presented as a third column. Where atatutory accounting

cal figures, and CCA figures are The use of specific product only supplementary, however, ost indices for the adjustment a two column approach could be adopted."

> Several issues have not been finally decided. These include the best way to use the Retail Prices Index or to treat companies with substantial overseas interests. Comments on the paper are requested by May 31.

ASC discussion paper corresponding amounts and 10-years summaries in Current Cost Accounting. £125. Account-Standards Chortered Acountants Hall Moorgate Place, London EC2 Lex. Back Paga

Compromise sought on Lloyd's Bill immunity clause

place between a group of Con-servative MPs and Lloyd's of London in an effort to find a of Parliament, designed to self-regulation. Unless criticisms of the Bill

are met it could fail at its third reading in the House of Commons in the next few weeks. Several Lloyd's members and

damages.

met the four Conservative MPs compromise on the Lloyd's Bill who have expressed concern Lloyd's council should be pro-of Parliament, designed to over the Bill. They are Mr tected from legal action for improve the insurance market's Nicholas Lyell (Hemel Hemy damages if any of the 4,000 or stead). Viscount Cranbourne so members who work in the (Dorset S), Mr Richard Need market decide to go to law. ham (Chippenham) and Mr They agree that Lloyd's Archibald Hamilton (Epsom should be offered protection and Ewell). The MPs are seeking a way

politicians are opposed to an in which Lloyd's can design an such as a Lloyd's broker or "immunity" clause in the Bill immunity clause whereby any underwriting agent, which protects a new ruling of the 16,000 members who do Lloyd's has not

LAST MINUTE talks are taking council from legal suits for not work in the market can sue compromise solution put up by for damages if they feel their Last week Lloyd's officials affairs have been misbandled. But they seem agreed that the

> against suits for damages mounted by a unit or individual Lloyd's has not accepted a

the members that a judge should decide whether there is a prima facie case for suits for damage action before damage actions can go ahead.

Members have argued that this would be one way to avoid the possibility of vexatious

Lloyd's has argued that a judge is bound to accept that there is a case where there is any doubt and would allow most cases to go to the courts.

ICL in U.S. computer printer deal

shares in Centronics, an American manufacturer of computer printers, as part of a deal to rescue Centronics from financial difficulty

Control Data has agreed to inject \$25m (£14m) into Centronics, which plans to issue 4.9m new shares to the other three companies. After the Computer Peripherals printer \$12 transaction is completed Con-

ICL and two large U.S. data- trol Data will own 35.5 per cent thirds of the company's total processing companies, Control of Centronics, and ICL and turnover, estimated at about Data and NCR, plan to acquire NCR 4.7 per cent each. \$100m. The company is owned

> agreed to transfer the computer printer operations of Computer Peripherals, a U.S. company which they own jointly, to Centronics.

60 per cent by Control Data Neither ICL nor NCR will The remaining shares are split be required to contribute cash.
They and Control Data have The deal will leave production founched cards and tape as Computer Peripherals' only remaining busines.

Centronics reported a \$24.5m net loss on a turnover of Computer Peripherals printer \$123.9m during the year to June

Directors fear 'foisting' of EEC rules

BY MAURICE SAMUELSON

application of EEC regulations lation would be implemented Grylls that it was not the to the running of British com- here during the present Parliapanies has been only partly ment not through further UK mandatory provisions on the allayed by a long letter from Companies Acts but by statu-Mrs Margaret Thatcher, the tory instruments. Prime Minister.

institute today, Mrs Thatcher North-West who quoted Trade tute.

CONCERN expressed by the Department officials as auggest-Institute of Directors about the ing that EEC companies legis- draft Fifth Directive, told Mr

In an exchange of corres- Seventh Directives, dealing respondence published by the pectively with workers' conwas replying to Mr Michael solidation of group accounts, Grylls, Tory MP for Surrey particularly concern the insti-

Mrs Thatcher, referring to the Government's policy to accept would amount to a fundamental re-writing of large parts of our company law other than by Act

In negotiations on the Seventh Directive, Britain bad secured "significant changes" largely

according with UK legislation IBA orders apology to ex-civil servant

BY MAURICE SAMUELSON

complaint by a former top civil servant that he was unfairly treated in a TV programme about the workings of White-

As a result an apology is series being offered to Sir Antony

The EEC's draft Fifth and

trol on company boards and con-

of Parliament."

40-minute interview, mainly

THE INDEPENDENT Broad- Part, former Permanent Secrecasting Authority has upheld a tary of the Departments of Trade and Industry, by Central cessor company to ATV, which ticular point of view. screened the programme last August in its Rule Britannia

Sir Antony had given ATV a Bellini.

about the Civil Service after being told the programme was Independent Television, the suc- intended not to represent a par-But when it was screened it

took the form of a personal view by the presenter, James

Property investment gets cool forecast

By Paul Hannon

RETURNS on direct property investment this year are unlikely to rise, or even match those obtainable from the equity market, Phillips and Drew, the stockbrokers, warn in a report published today. Phillips and Drew forecasts

that investment yields for prime property will remain firm given combination of strong institutional demand for and the present lack of supply of quality properties. "In the last three years, property yields have been

remarkably static by compari-son with volatile equity and gilt yields," the stockbrokers say. "This is mainly due to say. "This is mainly institutional demand. "Although the money value of funds committed to property by institutions has risen, it fell steadily as a percentage of cash flow

between 1974 and 1979." The ratio improved in 1980 to 15.8 per cent, presumably, Phillips and Drew suggests as a response to the increased supply brought on by fear of the effects of the recession. The stockbrokers forecast that institutional investors will place £2bn for 14.2 per cent of cash flow, in property this year compared with an estimated £1.8m (14.1 per

cent) in 1981. Property Prospects for 1982, Phillips and Drew, Lee House,

Bank lending surge has aided industry more than thought' BY MAX WILKINSON, ECONOMICS CORRESPONDENT

impact on industrial investment and on improvements in productivity than was generally thought, said L. Messel and Co. stockorokers, in a study pub-

ished at the weekend. The The paper by Mr Tim Congdon said Bank of England statistics gave a misleading im-pression of the extent of lend-ing to the personal and services sectors compared with enting to manufacturers.

This was because services as defined by the banks included easing companies, which had accounted for an increasing proportion of capital equip-ment used by industry. Mr Congdon said "Over the past three years leasing has exploded as companies become aware of

He said the superficial impression given by the figures that lending to service industries had expanded much more rapidly than to manufac-turing was "highly misleading." With such a significant part of total new borrowing being performed via leasing, which normally involved purchase of capital goods, it was quite clear that buoyant bank lending had been instrumental in maintain-

ing high investment. Total capital expenditure by UK industry in the three years inflation and because politicians 1979-81 was 23 per cent higher had shed responsibility for rises than in the previous three years. This appeared to have economic consultant to Simon & this process, he thought. In a separate circular to its

clients Messel suggested a fundamental: change cautious view of the lowering strategy.

THE RECENT surge in bank of interest rates last week by lending has had a much greater the Bank of England and the West German Bundesbank. Messel said that although interest rates in Europe might continue to fall for the nex two or three months, a further decline in sterling interest rates must remain partly dependenent on U.S. monetary

developments. This caution about interes rates was echoed in a special article on the longer-term trend of bond rates in this month's International Bond and Cur rency Review, published by James Capel & Co, stockbrokers. This said that in real terms the average yield on bonds around the world was now & per cent, a level not reached since before the Second World

The article, by Mr James Church, said high real yields were likely to continue for some time, in spite of difficulties gov ernments would face in paying high rates on their debt and of the generally depressing influence of high rates on

industry. He said the pattern of rates in this decade was unlikely to be similar to that of its predecessors. This was because the public had lost confidence that governments could conquer inflation and because politicians

productivity. High bank lend- Coates, stockbrokers, said in its ing in the recession had been Economics Analyst this month an important contributor to that the spring Budget represents the last chance for the Government to undertake any

Engineering groups blame public sector for costs

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

REPRESENTATIVES of the steeply since 1979. engineering industry are telling through higher charges.

The Council of Mechanical and Metal Trades Associations. creased charges have been which co-ordinates the views of greater than the officially trade associations in mechanical announced percentage rises. engineering and metal trades, Telecommunications says in its Budget submission were reported as rising by about today that many public sector 7 per cent, but the combined bodies have met financial effect of higher unit ch targets

The council says that employ- 40 per cent." ment in its industries fell by 18 per cent in the two years to represent the industry's view June 1981, but by only 2 per on EEC matters, but it decided cent in the public sector. The to extend its representation to increase in total expenditure on domestic issues. pay in the same period was 3 per cent and 42 per cent respec-

Almost all public sector charges, it says, have risen Chancellor.

In some cases, such as energy the Government it should act to prices, there may have been good prevent the public sector reason, but in others, such as covering up its "inefficiencies" telecommunications and steel. by passing on extra payroll there have been technological costs to the private sector and economic developments which ought to have cut prices. It claims that effects of in-

mainly by raising reduced time per charge unit charges instead of reducing "may raise an industrial payrolls or increasing efficiency. customer's costs by some 30 or

The council was formed to

The Engineering Employers Federation will also voice con-cern on public-sector charges in its Budget representations to the

Social policy 'has failed'

BY DAVID MARSH

MOST PUBLIC spending on better balance between social social services in Britain favours the better off, according to a new study by Mr Julian Le Grand, lecturer at the London School of Economics. In his book The Strategy of countries such as the U.S. and Equality he says the desire to help the worse off had been one of the main reasons for the enormous expansion of public yet in four crucial areas

Yet in four crucial areas

Examined—health care, educable promoted if there were no tion, bousing and transportpublic spending worked in tha service concerned and if the

Mr Le Grand aays the

groups would bave to be made through more direct methods of income redistribution such as taxation.

The experience of other West Germany suggested that greater equality of income. wealth and earnings did not necessarily harm either, econpublic expenditure on the opposite direction by favouring resultant savings were used to the higher social classes. The Streatgy of Equality by strategy of promoting equality Julian Le Grand; George Allen through social spending bad and Unwin: Hardback £13.50, failed. Attempts to bring about paperback £4.95.

Domestic rates lower in Labour shires

By Robin Pauley

RATE BILLS for domestic householders in England are on average more than £38 a year cheaper in the 13 Labour-controlled shire coun-ties than in 24 Conservativecontrolled counties. An analysis by Mr Jack Strew, Labour MP for Blackburn and

an opposition Treasury sp men, shows that of the fer shire counties with the highest rate payments nine are Conservative. They are led by Hertfordshire (£5.94 a week). Buckinghamshire (£5.90) and Surrey (£5.79). They are followed by Berkshire, Bedfordshire, East Sussex and Oxfordshire before the first Labour.

Labour county, Cheshire, appears at £4.79. Of the ten share counties with the lowest rate payments five are Lebour — Derbyshire (£3.43), Durham (£3.35), Not-tinghamshire (£3.34), Cumbria £3.32) and Humber-

side (£2.02).
Four are Tory — Norfolk (£3.47), Devon (2lso (£3.47), Lincolnshire (2.24) and North Yorkshire (£3.31). The lowest of all Cornwall (12.99 a week) is controlled by In-

dependents.
The figures take account of supplementary rates levied in the year. But they are the combined county and district rate bills, which rate by receive in one combined bill In some Tory counties there are Labour districts and vice versa so it is difficult to make absolute political compari-

The shire counties account for about 87 per cent of the lecal rate and grant borne spending in their areas, while the districts account for the remaining 13 per cent. Total rate payments in metro-politan county areas are usually higher than in shire-areas. Yet the highest average payment of the metropolitan counties - £5.56 in the West Midlands - is 38p

below Hertfordshire. The average rate payment in South Yorkshire at £4.43 is Sp below the average for the Conservative shire counties. Mr. Straw says: "These figures nail the he, so often insinuated by Conservative ministers, that it is Labour counties which impose intolerable burdens on their ratepayers. But it is the

The burden of taxation for the average family has by £28.54 per week since the election, nearly 12 mines the increase in the laterage family's rate payments over the same period.

 Leading industrialists in-Avon have waitien to county councillors unsing them to think before approving a bag increase in rates.

The letters are part of a grow-ing campaign to stop the county rates mising by 41 per cent in a year. The industrialists say this can only be met by condemning to the dole queues many people employed in industry

and commerce. The letter is signed by the heads of five of Avon's biggest companies — Imperial Tobacco, DRG, Mardon Packaging, Stothert and Pitt, and Harveys. If the latest proposal goes shead the five will have to pay nearly another £1m on top of the £3km they are aireedy paying.

Mr John Mostyn, a director of Harvey's, said: "There is no way employers can sit back and allow Avon County Council to ride rough-shod over the community's bostness interests and thus permit so many employees jobs to be put in jeopardy. When coupled with October's supplementary cate this latest demand will result in

the county having one of the

fastest rising precepts in the

London Transport seeks delicate balance of quality, quantity and cost

Sir Peter Masefield, chairman and chief executive

of London Transport, clarifies the financial issues

and objectives behind the operation of public

transport services in the capital.

6 London, and other major London Transport, "with due cities, can of course have as regard for efficiency, economy much, or as little, public transport as the community is willing to pay for in fares or in subsidy, or in a combination of

Six variables have to be balanced to achieve whatever objectives are sought - and the present difficulties are I fear, because these variables and these objectives have not been sufficiently defined or under-stood. The variables are: level of fares; traffic demand at those or fares; tranc demand at those fares; level of services to meet the demand; the cost of provid-ing those services, including essential capital investment; commercial revenue earned; and ambsidy required to meet any ap between costs and commer-

As in any business, one of the most crucial factors is the level of prices charged and the ability to sell the product, and to prosper, at those prices.

clearly, was itself not suffic-5), is an obligation set upon break-even.

and safety of operation, to provide — or secure the provision of — such public passenger transport services as best meets both, while requiring "value the needs for the time being for money."

the needs for the time being of London". The second, (Section 7, to be taken with the foregoing), is that London Transport should "ensure so far as practicable" that it is not in deficit at the end of each accounting period. After the Law Lords' judgments, among the implications now being read into the Act is

> its fares so as to do everything possible to break-even regardless of subsidy. Axiomatically the higher the fares the less subsidy will be required but the less traffic there will be, because many people will not be able to afford to travel.

that London Transport must set

Consider the two extremes. Fares set so high that no-one can afford to travel, bence there Two conflicting requirements are no services, no subsidy-Two twenty in the Transport and none of London's needs are (London) Act 1969 which, met. The opposite is — free travel, maximum demand, maximu creany, was through when it mum services, 100 per cent subrenny mounts. The first, (Section sidy — and no endeavour to

Between those two extremes there is a need for subsidy in urban transport, however costeffective the organisation. At some point, with very high fares and very thin services ("picking the eyes ont of the carcass"), a profit could be earned but at an almost complete sacrifice of the objective of providing a public service. As fares are reduced, and as services are increased to meet demand. so subsidy will also have to be increased Clearly both extremes fail to

Equally clearly, the object must be to meet the needs of London at "a reasonable level of service at reasonable faces," both designed to satisfy "a reason-able traffic demand." But what is " reasonable? ' Experience has shown that, compared with present fares, traffic would increase relatively slowly with further reductions in fares. Likewise traffic will decline seriously but not in

ratio to an increase in fares.

On London's buses, for instance,

the 32 per cent reduction in

12 per cent increase in pas-

senger miles and thus a 20 per

cent fall in revenue.

A 100 per cent increase in fares is now forecast to be likely to produce a 20 per cent reduction in traffic and a 55 per cent increase in revenue. On present evidence an increase in fares of 200 per cent (to three times today's level) would cut bus travel by about 45 per cent and increase revenue by about of the financial framework is 65 per cent.

Transport shows that a 100 per cent increase in bus fares. accompanied by the necessary reduction in the level of service to equate to the reduced traffic demand, will make possible an eventual reduction in costs of about 150m per amum—a reduction of about 121 per cent. Such a result will take several years fully to achieve. An increase of 300 per cent in fares would eventually reduce fares on October 4 produced a costs by about £125m per 12 per cent increase in pas-annum (or 30 per cent) for about half the present level of

These examples illustrate the range of choices which exist. Given time to make adjust-ments, each is feasible. But views on what is reasonable will vary widely and are bound up with the amount of subsidy which the community is willing to make available. The choice essentially for political judg-Our experience in London ment Against that background the

> and a clear management remit should, in my view, he met by a suitable formula to link degrees of subsidy and of income from fares. A position half way between the two extremes of high fares and no traffic or of no fares and maximum traffic, might be seen as a "reasonable" com-

promise towards the meeting of

المكنائمن المثالي

need for both "reasonableness"

pound solution to provide both at 20 per cent above today's revenue and capital require fares, would result in total costs commercial revenue from fares) mile) against commercial might well be considered as a revenue of about £195m. simple "rule of thumb" answer. subject also to doing a littla better than breaking-even so as to build up a modest reserve against unforeseen circumstances.

With such a framework, fares could be kept to a level which might be regarded as "reasonable" at, also, a reasonable level of service. There can be no dogma on such a matter. Analysis shows, however, that a "£1 for £1" balance for bus services would be reached at fares some 20

cent above those in force If we take the present levels of fares, passenger miles, bus miles, costs and subsidy required in each case as "100," then the result of such a policy would be: fares 120 (up 20 per cent), passenger miles 94, bus miles 86, revenue 113, costs 90 and subsidy required 70 (a re-

London's needs for public trans-In real terms a contract to provide 86 per cent of today's If that were agreed, then I level of bus services (bus miles suggest that the pound for reduced from 175m to 150m) its

duction of 30 per cent).

ments (£1 of aubsidy for £1 of of about £350m (at £2.33 a bus-The deficit on bus services would then by £155m in a full year. At £1 for £1, the revenue

and capital support would be £195m and the total revine £390m (at a contract subsidy of £1.30 a bus mile). That would leave £40m available for necessary depreciation and renewals of capital assets, investment in updating the

system and as a contribution toa general reserve.

I quote these examples for
the bus side of London Transport's activities. The same basic formula would apply to fire Underground.

Whatever choice is made on financing, the task of manage-ment remains that of providing the best possible service the best mix of quality, quantity and price—while remaining within prescribed financial limits.

Those are the objectives towards which we in London

Transport ought to be working against clear policy decis In the circumstances of pubtransport today, including special social obligations,

those objectives inevitably—if unfortunately—tave to differ from the more normal business objectives of achieving a reasonable financial return or investment. Our investment in this sense, is in." meeting the meds. of London." As I have said London car

have the level of service it is prepared to pay for assuming of course efficient operations. Whatever is decided, there is a need for stability in the cunning of a public passenger transport service so that plans can be soundly implemented upon clear policies and without con-



will with unions

Low morale test for Leyland Vehicles

EXECUTIVES at BL and Wick Garnett looks at problems facing 12,000 workers demand and lighter cash marare facing another major at a spread forced BL into a in dispute at traditionally peaceful BL plants This time the problem state.

In dispute at traditionally peaceful BL plants

The Care group, but the converted that was to see traditional commercial out of the serious and a six month and bus-makers; and the prescription of the convent of the scheme.

The philosophy of British

In dispute at traditionally peaceful BL plants

The logic of that was to see traditional commercial which plants were best suited to making which plants were best suited to making which engine to making which engine to making which engine to making which engine had been suited to making which plants were been suited to making which engine had been suited to making which engine had been suited to making which had been suite

The philosophy of British
Leyland in the 1960s and 1970s, of labour unrest seems to have when profit centres such as Ley-land Vehicles supported the land Vehicles supported the money-losers, cannot now he used to extract exira help in in the Cars group. The feeling of disillusion with the whole of disillusion with the picket

which half the company stripe is derived.

Some 12,000 workers at an atrike at Leyland Vehicles fancashire plants. Leyland heatt 2.600 at Bathgate Leyland This excludes the \$50 stockers accepted by the company for redundancy.

Two instructive reasons for the strike which half very strong support it mass meetings, are clear.

The company temperate plan for Leyland vehicles involves plant and product rationalisafunds each of its companies has to stand on its own. Leyland Vehicles lost £47m in the first half of last year. A substantial though probably smaller loss is expected for the second half.

There appear three general plant and product rationalisation with the wise of 1.855 jobs force—morale; the depth of at Leyland 1.365 at Bathgate feeling among workers surrounding the whole carefully nd 890 elsewhere. at least at Ley-built mythology of Leyland as

of labour unrest seems to have

business permeates the picket lines at Leyland. It might be an even stronger feature at Bathgate, though a further 150 applications have been made at the Scottish plant

shrinking further and asking

This powerful feeling of pride

1907, than af Bathgate.
You bear it all through the picket lines. "Remember the Octobus? The fastest wagon oo

the road when it was built,"

all the long-serving men together to give their gold

watches at Blackpool Tower,"

"The Roadtrain is the best

truck we've made, but we don't

with this, place. There's some-

I remember when they got

says one worker.

says another.

more from its workers. for redundancies on top of the 850 already accepted, largely in the tractor plant, which is This could weaken ability of variate stewards at Bathgate to main-

tain the dispute with the company. Two pay settlements of 5 per cent and one of 3.8 per cent and agreement to change working practices, might well have been necessary at Leyland Vehicles, as in the Cars division, but there is a very strong feeling by Leyland workers that they have bent over backwards to help the company.

The shop stewards have been recommending the relatively low pay settlement and new agreements on building trucks. There is almost total flexibility between trades of cab assembly at Levland.

There bave been tremenknow what they're trying 10 do dous sacrifices in terms of conditions and wages," says Mr thing up, I'll tell you."

74% TAX

much closer overlook of Leyland

now they want more from us not enough volume to aupport and we don't know where it is manufacture; and development, all going to end," said a picket and what collaborative deals from the Association of Scien- with other manufacturers could lific, Technical and Managerial he struck.

For Leyland that means end-The company recognises the log the 400 series engine and support it has been given by the TL12, leaving it to produce the workforce in the past few the TL11 but end truck engine years in accepting difficult deci- and assembly of most vehicles sions, but sees no alternative to market.

The company says that 70 per cent of its vehicles will still Second, the great tradition have Leyland engines and the of Leyland Vehicles as a truck 400 series be largely replaced and bus manufacturer is now, by Bathgate-made 98 series in the view of the shopfloor, at power plants, and some probvariance with the corporate ably from International Har-

The TL12 will be replaced by in the past must be stronger at one almost certainly from Leyland, the Ribble Valley Cummins or Rolls-Royce.

town where the company has "Our intention is to save made commercial vehicles since 1907, than af Bathgate, says Mr Coyne, "We want to says Mr Coyne, "We want to says Mr Coyne, "We want to say Mr Coyne change the policy to support manufacturing." But that policy demaods money which Leyland Vehicles does not have. Those feelings, which may be

kind of cry for help and with which many Leyland Vehicles managers profess not to be unsympathetic, merge with the problems of a local community, stretching out to Boltoo, Preston and further in which Leyland Vehicles is one of the biggest

Changes at Thorn EMI

time fully as chairman of the Mr John Browning, has returned THORN EMI video software pro- in the U.S. in take over direcduce group and relinquishes bis tinn of one of Raymood's Ameri-position as director of admini-stration and company secretary. Papaynti, vice-president of Raytinn of one of Raymood's Ameri-Mr Sibley continues as a director of Thorn EMI. Thorn Eriesson mind International Builders Inc., has been appointed regional Telecommunications and Thamea general manager for Europe, Africa and the Middle East. Television. Mr Robin Chartion, director and secretary of Ransome Huffmann Pollard, joins Mr J. E. W. Halt has been the company on March 1 as com-

appointed deputy chairman of the Gossard hranded foundation. wear operations in the UK, Germany and Snuth Africa, and just managing director of Dr Raiph Rickards has been appnioted a director of IN-FORMATION TRANSFER, Cam-GOSSARD.

DELSON AND CO. a subsl-diary of McKechnie Brothers, has appointed Mr Roger Barra-clough as administrative director Mr Tom Spice has retired from his position of chief execu-tive of J. FRANKEL (ALU-MINUM). He remains a direc-tor in a non-executive capacity. of the Delson Companies.

Mr Peter Withers has been appointed a director of UNILIFE ASSURANCE SERVICES. He was UK manager of the comwho will be leaving the firm on July 31 when he will be taking pany, a subsidiary of Unilife-Assurance (Overseaa). up an appointment with W. GREENWELL AND CO., atnck-Mr Brian Marcel has been

appninted managing director of PHOTOGRAPHIC SCIENCES. AUTOGLASS, windscreen replacement specialist, has ap-pointed Mr Ian Campbell as sales Mr Peler Jones, who has been acting director of architecture at the GREATER LONDON COUNand marketing director. company is part of the Royal

CiL since November 1, 1980, has been confirmed in his post. He now becomes director of architec-Mr T. F. E. Lane has been appointed managing director of resigned as a director of ENGEL-AM INTERNATIONAL multi-HARD INDUSTRIES. lure and superintending architect graphics division based in the Mr Terence W. Donovan, until UK. This is the pareot com-pany's largest subsidiary outside recently financial director, has

Mr Joe Frazer, until recently marketing director of Tempo

Group, has joined the board of the ENTERPRISE SYSTEMS GROUP to head the Adnet

Mr D. A. Garbutt has been appointed project director for SILICON ORGANICS, new sub-

sidiary of Croda Synthetic Chemicals. BRITISH RAIL baa appointed Mr Colin Driver as deputy general manager, Eastern Reginn, York. He was formerly chief passenger manager and replaces Mr Bryan Driver who is now managing director of Freight-

The Earl of Aviesford has been appointed a regional director o the Birmingham and West Midlands regional board of LLOYDS BANK. Lord Aylesford is Lord Lieutenant of Weat

Subject to the approval of the Stock Exchange, FtELDING NEWSON-SMITH AND CO., stockbrokers, is dissolving its parinership with Mr K. M. Feeny, a further three years from March

appointed as a new member of the board from January 1 for three years. Also reappointed are Miss Elizabeth Brunner and

Sir Frank Price from October 1 Sir David Nicolsoo has joioed the board of SELINCOURT as a

non-executive director, Mr J. O. Hitchcock has

Mr Alan Squires has been

appointed managing director of ASSOCIATED TRAPINEX.

SACCONE AND SPEED has appointed Mr J. G. P. Jephcott.

Clearers face criticism over money transmission

BY WILLIAM HALL, BANKING CORRESPONDENT

THE London chearing banks, dropped in favour of a "totally traditional domination of the distributed system." Common UK's money transmission sys-standards will be set for the tem is likely to come under national network. This will not attack at the first meeting of he dominated totally by the the new Money Transmission clearing banks and new Consultative Committee today entrants into the money trans-

The committee, headed by mission system will probably be Mr John Brooks, Midland allowed.

Bank's deputy chief executive, This will significantly in-

velop. important as developments in The subject, has taken on electronic funds transfer cannot considerable importance follow- be left entirely to them. ing the clearers' announcement. that they intend to develop a formed to give other financial national network to handle electronic point of sale transactions, allowing shoppers to pay for goods with a plastic card rather than cash or electronic point of sale transactions, allowing shoppers to pay for goods with a plastic card rather than cash or electronic point of sale transactions a chance to give other financial institutions a chance to give other financial institutions a chance to give other financial institutions a chance to air their grievances and aspirations in money transmission services.

Apart from the London representatives of

Unlike the present system of paying by credit cards, which generates a great deal of paper-work the new system will use electronic terminals which will debit customers bank accounts

At one stage the clearers had system controlled by them. This would have cost hundreds of understood to be sending an millions of pounds' and made observer, the banks especially attractive to a government intent on the committee will be wide nationalising them.

This life and evilor scheme building societies, retailers in Southampton have been enuignment manufacturers.

THE Central Trustee Savings rower.

fits new role came to light able.

has been established following crease competition in the money criticism over the years that transmission services, at pre the London clearers have too sent 90 per cent controlled by big a say in how Britam's the clearers. They have money transmission services accepted that something as

> representatives of elearers. Scottish and Northern Irish clearing banks, Trustee Savings Banks, National Giro Bank, American banks, accepting houses - and - British overseas banks will six on the commit-

The Bank of England will envisaged a large, centralised also be represented and the British Banker's Association is

> It remains to be seen whether the committee will be widened to take in institutions such as building societies, retailers and

SPEAKING UP FOR SMOKERS

of metropolitan buildings.

been appninted managing director of RAYMOND INTER-

NATICINAL (UK), Twickenham,

and assistant regional general manager for Europe, Africa and

TELL THE TAXMAN No more tax on cigarettes'
Sign the petition in your local shop

Organised by the National Federation of Retail Newsagents and the Retail Confectioners and Tobacconists Association

over the weekend with news Mr Morton said the Eurothat the bank is putting up a credit business was a natural \$5m (£2.67m) participation for extension of the foreign busi-a \$400m (£213.56m) credit for pess, such as documentary Argentina's state-owned oil concernity, which the CTSB concern, Yacimientos Petroliferos, ducis on behalf of regional Mr.E. D. Morton, head of the trustee savings banks. It would bank's corporate lending busing probably commit a total of ness, said that the bank has about \$50m equivalent to the taken stakes in credits; to a market during the next 12 to Brazilian, and an Italian bor, 18 months.

Weather causes rise in FT shopping basket index

CTSB funds Eurocredit

Bank has surprised in constitutional bankers by emerging sidered adventurous by many as a provider of funds to Euromarket bankers as they are borrowers in the Eurocredit lucrative but do not necessarily represent the best risks avail-

BY OUR CONSUMER AFFAIRS CORRESPONDENT

FINANCIAL TIMES Grocery Prices Index has risen sharply in January as a result of the severe wintry weather hitting supplies of fresh pro-

The January index, based on information collected from stores throughot the UK, stood at 144.81. In December the index stood at 141.24.
The increase was the highest

monthly rise in the index for more than a year. Dairy produce fresh meat and fresh fruit and vegetables were the three main sections of the shopping basket which

recorded the highest increase in. grocers. The cost of dairy produce-including milk eggs, and cheesa went up in total from £706.81 of price levels.

The Financial Times Grocery in December to £724.64 this month. Meat cost £641.32 this month in total, compared with £622.16 last month. Fresh fruit

Continuous frosts, heavy snow and flooding have ruined many winter crops. In addition, the weather has prevented wide-spread distribution of fresh produce.

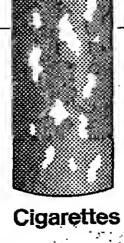
Other sections of the basket, such as canned foods and dry groceries, showed little change in cost this month.

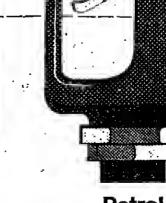
is hased on data collected each month by 25 shoppers who grocery items in the same shops each month. The stores, spread throughout the UK, range from superstores to small village

The index, however, is meant only as a guide to trends in food prices. It should not be taken as an absolute indicator

Prices Index is copyright and may not be reproduced or used in any form without consent. All ioquiries ahould be made in December to £311.06 in to Lucinda Wetherall at the Financial Times.

13% TAX		
		ADMITONE
8% TAX		-
1		
		SCREEN
The figures show what proportion of the retail price you pay goes		
to the taxman.	Betting	Cinema







P.etrol

Dining Out

Don't you feel it's time smokers got together and protested at the amount of tax they pay on cigarettes?

Your tobacconist or newsagent will have a petition in his shop which you can sign - your opportunity to tell the taxman how millions of you feel about the prospect of even higher taxation.

Already three-quarters of what you pay for your cigarettes goes directly to the taxman - to the tune of £4,000,000,000* a year. Surely there comes a point when enough is enough.

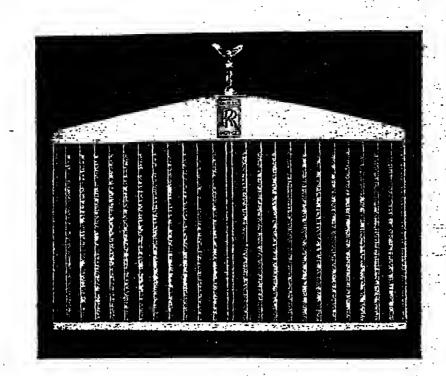
All you have to do is sign. And your tobacconist or newsagent will do the rest. Don't forget. The next time you're in your local shop Tell the Taxman how you feel. If you don't nobody else will.

For more information write for a free copy of the "Facts on Tax" leaflet to: Linda Murphy, Tobacco Advisory Council, P.O. Box 115, London SEI 3HG.

*Figures quoted are based on Government estimates 1981/82 and include cigarettes, cigars and tobaccos, plus VAT.

i de	January .	December £
Dairy produce	724.64	706.81
Sugar, Coffee, tea and soft drinks	211.90	209.31
Bread, flour and cereals	318.22	316,57
Preserves and dry groceries	114.64	113.68
Sauces and pickies	55.82	55.21
Canned foods	199.16	198.57
Frozen foods	253.05	248.65
More to the state of the state	641.32	622.16
Meat, hacon, etc. (fresh)		287.33
CTVIC 2nd vecestables	317.06	244.58
Non-foods	249.03	
TOTAL	3,078.85	3,002.87

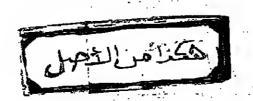
137.49; November 140.51; December 141.24.



Vladimir Ilyich Lenin Guglielmo Marconi George Bernard Shaw Elvis Presley David Lloyd George Sir Edwin Lutyens Sir Banister Fletcher Prince Chula Birabongse of Siam Gracie Fields Sir Billy Butlin H.M. The King of Serbia Henry Curtis-Bennet K.C. Douglas Fairbanks Pierre Michelin Howard Hawks Sir Frederick Henry Royce **Ernest Hemingway** Claude Johnson Hugh Trevor-Roper Vladimir Horowitz Mae West Baron Edouard de Rothschild The Nizam of Hyderabad W.R. Vanderbilt The Maharajah of Mysore Sir Jesse Boot J. Arthur Rank Lord Kitchener Tommy Sopwith. H.M. King Carol of Rumania Lord Beaverbrook Sir Malcolm Campbell J. Pierpont Morgan Roberto Rosselini The Marquis of Crewe H.I.M. Haile Selassie The Maharajah of Cooch Behar The People's Republic of China (Unknown purchaser) General Franco Gary Cooper The Third Duke of Westminster Nubar Gulbenkian Alfred Bird Sir John French Lord Fisher The Marquis of Exeter Lord Birkenhead Lord Baden-Powell Edgar Wallace W.D. Wills R. D'Oyly Carte The Maharajah of Patiala Jack Warner Jack L. Warner S. Gesteiner Pola Negri Sax Rohmer Sir Terence Rattigan. R.C. Sherriff Cary Grant W. Somerset Maugham Peter Sellers Marshal Tito Aristotle Onassis Greta Garbo Lawrence of Arabia President Woodrow Wilson.

For seventy-eight years Rolls-Royce motor cars have been owned by the men and women who shape history.

Marie, Dowager Empress of Russia



They still are.

This is the Silver Spirit.
Rolls-Royce Motors believe it is the best motor car they have yet produced.
The suspension system means that it handles and comers better than any previous model.
The famous Rolls-Royce engine is as quiet and durable as it has ever been.
And Rolls-Royce engineers feel that the body is the most pleasing

styling they have yet achieved.
For seventy-eight years, RollsRoyce Motors have been striving to improve on the best car in the world. They still are.



ISSUE BY TENDER OF £750,000,000

2½ per cent INDEX-LINKED TREASURY STOCK, 2011

PAYABLE AS FOLLOWS Deposit with tender £35,00 per cent On Tuesday, 16th March, 1982 Balance of purchase

INTEREST PAYABLE HALF-YEARLY ON 23RD FEBRUARY AND 23RD AUGUST

INTEREST PAYABLE HALF-YEARLY ON 23RD FEBRUARY AND 23RD AUGUST

1. The Stock is an investment falling within Part II of the First Schedule to the Trustae Investments Act 1981. Application, has been made to the Council of The Btack Exchange for the Stock to be admitted to the Official List.

2. The GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are authorised to receive renders for the above Stock.

3. The principal of and Interest on the Stock will be a charge on the National Loans Fund, with recourse to the Concolidated Fund of the United Kingdom.

4. The Stock will be registered at the Bank of England and will be transferable, in multiples of one new genny, by instrument in writing in ascordance with the attack Transfer Act 1983. Transfers will be free of stemo duty.

5. Ownership of the Stock will be confirmed to persons who are Englishe Holders, as defined below. The Bank of England will consider tenders for the Stock, in accordance with the procedures described below, only from persona by whom declarations have been made that they are Eligible Holders or are tendering for the Stock on beholf of an Eligible Holder. In addition, eubject to the exceptions feld down in paragraph 3, a statutory dealeration in the appropriate prescribed form covering the matters specified in that georgesoh will be required on sech occasion when, on surronder of a letter of allotment or presentation of an instrument of transfer for registration, the opining of a new eccount in the account on behalf of an Eligible Holder for whom that nomines is not siready holding block on the same account. The Bank of England will decline to register any holding of the Stock until furnished with a statutory declaration in the appropriate prescribed form, where such a desirection in the name of an Eligible propriets of the Stock until furnished with a stock propriet of the Stock until furnished with a statutory declaration in the appropriate prescribed form, where such a desirection in the name of an Eligible such as the second of the Stock until fur

appropriate prescribed form, where such a designation is required in accordance with this crospectus.

8 Any holding of the Stoch must be registered in the name of an Etgible Helder in his own right, or in the name of a nominee (as defined in garagraph 8(3) below) acting on behalf of an Etgible Helder.

7. On the first occasion on which Stock accuired by or on behalf of an Etgible Helder is the registered directly in the name of a cerson appearing on organization (31)[a), that Etgible Helder will be repuired, oring to such registration taking effect, to turnish a statutory declaration to the Sanh of England covering the matters specified in paregraph 9, unless such a declaration has previously been itemished by that Etgible Helder in respect of Stock oraviously acquired and attill standing in his own name in the registor.

8. For the ourposes of this prospectus:—

(1) "Etgible Holder" means:—

(2) The trustee or trustees of any cension achieve or fund which is either.—

(i) a acheme of which all or some part is treated by the inlend (i) a scheme of which all or some part is treated by the initial of Revenus as an "axempt approved achains" for the nurronses of Saction 2t of the Finance Art 1970 and where not less than 95 per cent of the income therefrom is treated by the initial Revenue on being exempt to take our posses; or [iii) a scheme in reasect of which spotretion has been made to the finland Revenue for approval and for treatment of such scheme as an "assempt approved scheme" for the nurposes of Saction 2t of the Finance Act 1970, and such application is currently being approved and the surface of supposes of the secondary areas. That

of the Finance Act 1974, and such application to currently sense that when auch treatment is given not less than 95 ger cent of the income of such scheme will be treated by the triand Revenue as being esempt for tax europeos; or a retirement ennuity trust scheme angroved under the provisions of Sections 229(5) or 2264(6) of the Income and Gergoration.

Taxes Ast 1970; or
(iv) a tund mentioned in Section 2tt(2) of the Income and
Corporation Passe Act 1970. (b) A company authorized to carry on in the United Kingdom a class (or out of a class) of insurance business which includes generon

business, provided that:—

(i) the Stock is hald agenry, and applied solely towards meeting, osneron business liabilities; and (ii) the market value of the Stock so held when aggregated with the market value of any holding et any other index-Linked Government Stock which has been or may be issued subject to the same or similar rostnotions, does not at any time exceed the value at that time of paneion business liabilities, not of romainsince, as estimated by the campany's epocintical actuary on assumptions they would be appropriate for a valuation of the long-term business liabilities under Section 4.0 I the insurance Companies Act 1974.

(c) The trustes or trustees of a registered friendly society so defined in Section 7(1)(s) of the Epandly Societies Act 1974, or of a branch thereof registered under thet Act, which carries on pension business, provided that:—

area: registered under that Act, which carries on pansion dusiness, ovided that:— (if the Stock is held against, and applied solaly towards meeting.

provided that:

(i) the Stock is held applied solaly towards meeting, cension business liabilities; and

(b) the market value of the Stock so held, when aggregated with the merket value of any holding of any other index-linked Government Stock which hav been or may be issued subject to the same or similar restrictions, does not at any time exceed the value at that time of peasine business liabilities, net of reinaurance, as extimated by the expolated actuary of the accesty or branch on assumptions that would be computate tot a valuation of the liabilities of the access or branch under Section 4t of the Francily Societies Act 1974.

(d) Any person carryling on besiness as a recognised stock inhibit on The Stock Exchange, provided that the Stock is held as trading stock in the ordinary course of his huainess as a stock lobber.

(e) Any person, other than one accepted in (d) above, to whom teartifiable balance fecilities have been made available in respect of the Stock by the Bank of England, provided that the Stock is held by that person as nomines for an Elicible Holder spectfied in (a) (b) showe.

(i) The Governor and Commany of the Bank of England, lavie Ompariment.

(a) The person for the time being hidding, the nosting of Sanior Broker to the National Debt Commissioners, for public lunds under their management.

to the National Debt Commissioners for public lunds under their management.

(2) The restrictions contained in sub-baragraph (1) of paragraphs 8111 (h) and (c) shall case to apoly in the event of the company entering into insurdation (other their previsional liquidation) for whatever reason or in the event of the commencement of a winding-up whatever means of the society or brench, and shell be suspended introuch whatever means of the society or brench, and shell be suspended introuch point as shall elapse between the tayling of any districts or execution (or the return of any similar step) by a judgment creditor squares the whole or any part of the except of the company or accept or brench in respect of any unsatisfied judgment debt and the satisfaction as discharge of the debt in respect of which the distress or execution was lavial for other similar step was taken).

(3) For the ourposes of the grospecius, "genelin districts which the lesuing of insurance contracts the premiums under which the lesuing of insurance contracts the premiums under which the lesuing of insurance contracts the premiums under which the lesuing of insurance contracts the premiums under which the lesuing of insurance contracts the premiums under which the lesuing of insurance in the stock at the average of the volume of the proposition of the pr

holder.

(2) A statutory doclaration by a nomining who is to become the inquisional holder of any of the Stock will be to the effect that such nomines is setting on hebatt of an Enable Holder and not otherwise, and will not create or knowingly germit to be created in layour of they person, other than an Engible Holder on whose behalf Sinck is then held by the nomines on the same account in the Stock register, any rights in respect of that Stock by way of encumbrance or by way of itaniar of beneficial ownership not manifolding a change in the required holder statutory declarations will also contain undertakings relevant to the provisions.

nomines on the same secount in the Snotk register, any reality in respect of that Stock by way of encombrance or by way of Inality of beneficial ownership not involving a change in the required helder. Statutory declarations will also content understangs relevant to the orwarding of participation of the Snotk in an experiment of the orwarding of the Snotk of England reserve the right at any time to require the remistered helder of any of the Stock in a neutron on whose helatif any of the Snotk and the Snotk in a neutron on whose helatif any of the Snotk as may be reasonably required. In the Snotk as the Snotk of England may reasonably require. In the want of any failure to crowde such evidence to the Snotk as the Snotk of England may reasonably require. In the want of any failure to crowde such evidence to the Snotk end of the Snotk as the Snotk of England may reasonably require. In the want of any failure to crowde such evidence to the Snotk which end is beinding on all cersons by whom in on whose bahell any of the Snotk is held, to require the aurender of the relevant cardificate of life (in any) and to sall the Snotk in relevant of the Total Content of the Total Snotk which end is held to sall the Snotk in relevant of the Bower of the Bower of Company of the Bank of England is sace Department; and to content a good ratio on the gurchaser of such Stock, and the Sank in England heaters helder for whichever is the leaser of (i) the proceeds realised or auch sale or (ii) the market value of the Stock on the date on which evidence was first required by the Banh of England, in each case loss accomes properly incurred in connection with such sale by the Sank of England, the Banh of England, in each case to saccomes or operly incurred in connection with such as the stock on the date on which the such sale of England, the Banh of England and the Bank of England in the Stock which shall be binding on all gersons by whom or or whose bahall any of the Stock which shall be binding on all gersons by the Sank of England by

will be related, subject to the terms of this prospectua, to the movement, during the his of the Stock, of the United Kingdom General Index of Retail Prices meintained by the Gepertment of Employment, or any Index replacing that Index, such movement being indicated by the Index figure issued mentity and subsequently published in the Landon. Edimburgh and Balfast Gezettes.

15. For the purposes of this presentual, the Index figure applicable to any month will be the Index figure leavest seven months prior to the relevant month and relating to the month before that orion month: "month "mosns calender month, and the Index ratio applicable to any month will be equal to the Index figure applicable to that month divided by the index figure applicable to Jenuary 1382.

to January 1982.

16. The emount due on recognish, per £100 naminal of Stock, will be £160 multiplied by the Index ratio asplicable to the month in which repayment takes place. This amount, expressed in pounds starting to two piaces of declimate rounded to the neerest figure below, will be enneunced by the Bank of England not later than the business day immediately preceding the date of the parultimets interest original.

17. Interest will be payable half-yearly on 23rd February and 23rd August, income tax will be deducted from payments of more than £5 per annum. Interest warrants will be transmitted by post.

18. The first interest payment will be made on 23rd August 1982 at the rate of £1.26 car £100 neminal of Stock.

19. Each subasquent helf-yearly interest payment will be at a rate, per £100.

19. Each subsequent helf-yearly interest payment will be at a rate, per £100 nominal of Stock, of £1.25 multiplied by the Index ratio applicable to the month in which the cayment falls due.

20. The role of interest ler each interest payment other than the first, expressed. as a percentage in counds stating to two places of decimals rounded to the nearest figure below, will be ennounced by the Bank of England not later than the business day immediately preceding the date of the previous

nearest figure below, will be ennounced by the Bank of England not later than the business day immediately preceding the date of the previous interest cayment.

21. If the Index is revised to a new beas after the Stack is issued, it will be necessary, for the purposes of the preseding paregaphs, to calculate and use actional index figure in aubstitution for the Index figure applicable to the month in which repsyment takes cleas end/or an interest comment tails due in the month of glyment? If this notional index figure will be calculated by multiplying the satual index figure applicable to the month of payment by the index ligure on the old base lot the menth on which the revised index is beased and dividing the product by the now beas figure let the same month. This procedure will be used for each occasion on which a revision to mede during the life of the Stock.

22. If the Index is not published for a month for which it is relevant for the purposes of this prespectus, the Bask of England, after apprecents consultation with the relevant Government Decertment, will publish a substitute Index figure which shall be used for all purposes for which the decertment, and such substitute Index figure would have been adolicable, to the month of payment, and such substitute Index figure would have been relevant. The calculation by the Bank of England of the amounts of principal and/or interest payable on the basis of a substitute Index figure whell have been relevant. The calculation by the Bank of England of the amounts of the Index hours which, in the opioion of the Bank of England, constitutes a lundermental change in the index which would be materially detrimental to the interests of stockholders. Her Majesty's Treasury to redeem their interests of stockholders. Repayment to stockholders who exercise this right will be affected, on a date to be shosen by Her Majesty's Treasury to redeem their stock in arising them the month of oublication of the revised Index. The amount of ornicipal due on recognant on oublication o

will be sent to stockholders at their registered address by the Bank of England at the annuarists time.

24 Tenders must be lodged at the Bank of England, New tasues (Y). Watling Street, London, ECAM SAA not later than 11.00 A.M. ON THURSDAY, 25TH JANUARY 1982, or at any of the Branches of the Bank of England or at the Gleapow Agency of the Bank of England not later than 3.30 P.M. ON WEDNES-DAY, 27TH JANUARY 1982. Each tender must be far one amount and at one orice which is a multiple of 25p. TENDERS LODGED WITHOUT A PRICE 25 IN STATED WILL BE REJECTED.

25. A separate charge representing a deposit at the rate of £35.60 for average and the nominal amount of Btock tendered for meet accompany each tender charges must be drawn on a bank in, and be payable in, the United Kingdor the Channel Islands or the lefs of Man. Envelopes containing tenders show be marked "Index-Linked Treesury Tander".

26. Tenders must be for a minimum of 25,606 naminal multiples of Stock as (pilews:— Amount of Stock tendered for £50,600 or preetor

ESD,600 or prestor

27. Her Majesty's Treasury reserve the right to reject any tender or to allot a less amount of Stock than that tandered for. Valid tenders will be ranked in descending order of price and allotments will be made to tenderere whose tenders are at or above the lowest price at which Her Majesty's Treasury decide that any tender should be accepted (the ellotment price). All alletments will be made at the allotment price and tendere which are accepted and which are made at the allotment price and tendere which are accepted in fulf. Any balance of Stock not allotted to tenderore will be ellotted in fulf. Any balance of Stock not allotted to tenderore will be ellotted at the allotment price to the Governor and Company of the Benh of England, laque Cepertment.

28. Lettero of allotment in respect of Stock allotted, being the only form in which the Sinck may be transferred opnor to requirestion, will be decastched by post at the right tenderer, but the deseatch of any letter of ellotment, and any retund of the balance of the amount paid as deposit, may at the discretion of the Bank of England be withheld until the tanderor's chaque has have paid in the event of such withholding, the tanderor's chaque has have paid in the svent of such withholding, the tanderer will be notified by inter by the Bank of England of the acceptance of his tander and of the amount of Stock allocated to him, subject in each case to payment of his chaque.

29. In the swent of partial allotment, the helegate of the acceptance of the stock and allocated to him, subject in each case to payment of his chaque.

not such motification will content no right on the renderer to franciar the Stock an allocated.

23 In the event of partiel allotment, the belance of the amount paid as deposit will, when refunded, be remitted by cheque doscatched by over at the risk of the tenderer; it no elicinomic is made the amount paid as dooselt will be returned likewise. Payment in full may be made at any time star allotment but no discount will be allowed on such payment. Interest may be changed in a day-to-day basis on any overdue amount which may be accepted at a rate equal in the London Inter-Bank Offered Rate for eaven day deposits in starting 1" LIBOR "I clus 1 per cent day enount. Such rate will be detarmined by the Bank of England by reference to market quotations, on the due date for the relevant payment, for LIBOR obtained from such source of acutical safety amount in respect in the Stock with ronder the ellutament of such Stock liable to cancellation and any amount previously paid liable to forfacture.

30 Letters of allotment may be coild just demandinations of multiples of 11,000 on waiten manusch teckwell by the Rank of England, New Issues, Waling Storet, London, ECAN TAA, or by any ni the Branchez of the Rank of England, on may date not later than 12th March 1982, Such Japuest must be signed and must the accompanied by the laters of allotment.

he accompanied by the letters of alletment.

31 Letters of allowment must be surrendered for registration, necompanied by a commisted sensitive of a commisted terminated and a commisted terminated and a commisted terminated and a commisted and the purchase money is used, unless osyment in full has been made before the due date in which case they must be surrendered for monistration and later than 16th March 1992.

32. Tender forms and conies of this prespectus may be inhibited at the Rank of Emiland. New Issues. Wathen Street, London, FCAM PAA, or at any of the Rank of Emiland, and the Rank of Emiland, and the Rank of Emiland, and providing a stationary of the Rank of Emiland, though guidding, let finning. 20 Collecter Street, Britist, Brit Stock and Street and the United Fundam. Forms of stationar declaration will be made available to successful tendors from the stationary declaration will be made.

Attention' is drawn to the possibility of gostal dalays associated with the burrent rait diagons. For tenderare who do not have reedy direct scesse to the Benk of England (including the Brenchas and the Girsgow Adancy of the Bank) it is pressible that their hanks or stockhrokers may be orepared to submit tenders on their behalf, tonether with the egorooriste gayment, to the Benk of England, New tesues, Watting Street, London, EC4M SAA, through the agency of branches or reflects in London.

THIS FORM MAY BE USED

This form must be indeed at the Rank at England, New Igaues (Y). Waiting Street, Landon, EC4M SAA not inter than 11.70 A M ON THURRDAY, 25TH JANUARY 1382, or at any of the Branches of the Bank of England or at the Glasgow Anency of the Bank of England (4th Finor, 18 St. Vincent Piece, Glasgow, G1 ZEU) not later then 3.30 P.M. ON WEDNESOAY, 27TH JANUARY 1982, Envelopes containing tenders should be marked "Indeed Indeed Tenders."

ISSUE BY TENDER OF £750,000,000 2½ per cent Index-Linked Treasury Stock, 2011

TO THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND

Amount of Sinck tendered for E5,000—E50,000 AMOUNT OF DEPOSITE The grice tendered per £107 Stock, being e multiple of 25g (renders lodged without a grice boing stated with be rejected):— 3 TENOER ORICE/h1

I/Ws declare that I am/we are an Elimible Holder as defined in caragraph 8 of the proceeding detect Zind January 1882, or am/are tendating for Stock on behalf of an Eligible Holder as so defined.

I/We harsby engage to pay the belance of the ourchase money when it becomes due on any allotmont that may be made in respect of this tender, as provided by the said prospectua.

I/We request that any letter of ellotment in respect of Stock ellotted to me/up be sent by cost at my/our nek to ms/ue at the address shown below.

	·	January ts
URE		
n behalf of, tenderor		
E BLOCK LETTERS		
FORENAME(S) (N FULL	L SU	JANAME
TAL -		
POST-TOWN	COUNTY	FOSTCODE
	n behalf of, tendaror E BLOCK LETTERS FORENAME(S) (N FULL TAL	URE n behalf of, tenderor E BLOCK LETTERS FORENAME(S) (N FULL SU

each tendor. Chaques should be made gayable to "Bank of England" and crossed "Treasury Stock". Chaques must be drown on a bank

UK NEWS - LABOUR

1,000 ready to leave BL Bathgate

BY MARK MEREDITH, SCOTTISH CORRESPONDENT .

ABOUT 1,000 workers at Leyland's Bathgate volunteered for reducdancy in the face of extensive restructuring by the company, according to Leyland officials.

British Leyland's reorganisatioo calls for the loss of 4,100 jobs among its 22,000 bus and truck workforce and 1,365 of these jobs are to go from Bathgate.

Αţ stewards called a strike and sit-in at Bathgate, joining strikers at Leyland and Chorley in Lancashire. According officials, virtually the entire

weekend.

850 workforce involved in tractor production had volunteered for redundancy to take advantage of enhanced severance payments of shout £5,500 offered by the company

been sold to customers in the UK and Scandinavia.

But the sit-in was also designed to protest against plans not to replace production of trucks in the 31-to-20-tonne range at Bathgate and concentrate on production there of two large models for the export

Under company plans, Bathgate is to produce the 9-12-tonne Landmaster and the 19-65-tonne Landtrain series in future. But Mr Jim Swan, convenor

of shop stewards, said yesterday that they feared that, as other countries built up assembly operation, Bathgata operation would be confined to exporting only kits and assembly would be threatened.

market only.

Yesterday, Mr Swan met

ing the removal of 100 finished locked gates of the Bathgate force, of abandoning truck proplant near Edioburgh have tractors which have already plant to plan more practical duction at Bathgate because 60 ecurity and occupation rotas, were exported. Mr Swan said he was not Some trucks would eventually

present annual level of 40,000.

98 series of motor. Officials insisted there were

The strikers are also prevent fellow strikers behind the no plans, as feared by the workaspects of their sit in, such as per cent of Leyland products

> inteersted in the workers who be exported in kit form but had volunteered for redundancy there would always be the need pay. "They can go. We are for assembly, an official added interested only in those who Philip Basset writes: Shop want to work," he said. stewards at Levland Vallable Company officials said the Lancashire plants last night strike action would worsen expected no further moves from British Leyland's lossea of £2m the company towards a tesolu-per week over the past six tion of the strike at Leyland months. Truck sales had gone and Chorley over company down from \$0,000 in 1979 to a reorganisation.

They thought that talks might Bathgate fits into the re be held with local management structuring plan to put high on running down the plants and volume production in specific safety and maintainance work centres. The Scottish plant is Shop stewards do not expect to concentrate on the manufact the Lancashire strikes to spread ture of engines, specifically the to the Leyland Vehicles heavy

assembly plant in Wolverhampton.

Welsh lorry drivers turn down 8%

BY DUR LABOUR STAFF

have rejected a pay offer worth road haulage national accre-8 per cent. Union leaders are tary, said this would be the talking of Industrial action, although drivers in other areas tistions. are settling for deals at or less than the Welsh offer.

Mr Gooff Jecob, Transport and General Workers Union area negotiator, warned that if, action, further talks failed, there Abou would "inevitably" be a strike in South Wales, which might spread to other areas. The offer would take

drivers' hasic rate to about £85. The pay deal (or South East rises in line with the current protect drivers takes their basic rate to inflation rate. But they fear the inflation. The pay dea) (or South East

LORRY DRIVERS in Wales 587. Mr Jock Ashwell, TGWU Government may try to enforce target for further Welsh nego-The Government was warned

vesterday not to push Britain's 500,000 nurses and midwives "over the brink" into industrial About 4.00 nurses marched through London to a rally in

Trafalgar Square in protest at

their pay levels. leaders are tomorrow to make a claim for

its cash limit pay provision of per cent. Mrs June Clark, chairman of

the moderate Royal College of Nursing's, representative body, told the raily: "If this Government pushes nurses over the brink into industrial action, the price to he paid will be far greater than giving the nurses

12 per cent."

Nursea' pay is due to be put on a different footing next year hy a formula designed to keep them out of the wage round and protect their pay against

Bifu rejects 6.75% offer

THE Banking, Insurance and Finance Union has rejected a 6.75 per cent pay offer from Standard Chartered Bank, following a 7 per cent offer from Berclays Bank International --

Negotiations in these two banks are particularly impor-tant this year because Bifu intends to make early up of unilateral strbitration arra ments there if satisfactory negociated estilements cannot be reached.

Bifu believes a favourable arbitration could influence the key clearing bank bay talks.

Sogat seeks talks on Odhams closure

BY ALAN PIKE

UNION leaders will today launch an attempt to save Odhams Press. Its gravure plant at Watford, Herts, Is scheduled to close on April 30 with the loss of 1,900 jobs. Mr Bill Keys, general scc-retary of the Society of Graphical and Allied Trades, wrote to the company-part. of Reed International the weekend seeking urgent talks following the announcement on Friday that Odhams

The company made its decision to close after failing to reach agreement with the National Graphical Asso-ciation en a job reduction package.

However, the NGA says that it did come to agreement on changes involving the loss of 371 jobs on Wednesday. It accuses the company of subsequently changing its pos-

Mr Keys -whose nulon is likely to be joined in the approach to the company by the National Society of Operalive Printers, Graphical and Media Personnel, which has the most members at Odhams -said yesterday that he helieved it might be possible to rescue the plant. The drive to do so is made.

still more urgent by the factthat the print unions are also engaged in discussions on economies at another Wat-ford-based gravure plant, the BPC-owned Sun Printers. Mr Keys said that after the Second World War, Wattord was the third biggest print-

ing centre in Europe, while it was "now in danger of hecoming a graveyard." The unions were told last September that April was scheduled as the likely closure date for Odhans un-less economies leading to an improvement in its financial position could be achieved. Gravure is one of the sections of the British printing indostry which has been under the greatest pressure in recent years

An increasing number of orders have been lost to overseas competitors, while tech-nological developments have brooght mounting competition from alternative colour processes such as heat-fed web

THE HONGKONG **BANK GROUP**

announces that on and after

25th January, 1982

the following annual rates will apply

Base Rate . . . 14% (Previously 141%)

Deposit Rate (basic) 12% (Previously 12½%)

The Hongkong and Shanghai **Banking Corporation** The British Bank of the Middle East Mercantile Bank Limited Antony Gibbs & Sons, Ltd.

Grindlays Bank Limited Interest Rates

Grindlays Bank Limited announces that its base rate for lending will change

with effect from

from 141/2% to 14% Monday 25th Jan.

The interest rates paid on call deposits will be:—call deposits of £1,000 and over 121% (call deposits of £300-£999 111%)

Rates of interest on fixed deposits of over £5,000 will be quoted on request. Enquiries: Please telephone 01-930 4611



Williams Interest Rate Changes

Williams & Glyn's Bank announces that with effect from 25th January 1982 its Base Rate for advances is reduced from 141/2% to 14% per annum

Interest on deposits at 7 days' notice is reduced from 121/2% to 111/2% per annum.

WILLIAMS & GLYN'S BANK LTD XX

Standard Chartered

announces that on and after 25th January, 1982 its Base Rate for lending is being decreased from $14\frac{1}{2}\%$ to 14% p.a.

The interest rate payable on deposit accounts subject to seven days notice of withdrawal will be decreased from 12½% to 12% p.a. The interest rate payable on High interest deposit accounts subject to twenty-one days notice of withdrawal will be decreased from 13½% to 13% p.a.



TELEVISION

Chris Dunkley: Tonight's Choice

In the early part of the evening the best programmes are all on Radio 4. "The Monday Play" is a repeat of the much praised Variation on The Snow Queen by Valerie Windows which two the Pye Best Radio Play award two years ago. It explores the Probled mind of Katherine Anson, was recorded on location in a hospital, and is broadcast binaurally." Listen on stereo headphones if you possibly can.

It is followed by Anne Winder's programme about Britain's most famous play script publishers French's Without Tears with

Chris Relly reporting on the spot. And that is followed by the

Police attitudes here towards cannabis are in interesting contrast to their earlier attitudes towards alcohol.

West Country Tales on BBC 2 have established a high place in my estimation over the years for intelligent and original use of film, often on beautiful locations. Tonight's work, "The Sabbatical," is a dramatisation of a story submitted by a viewer.

BBC 2

Switch quickly to BBC 1 at the end and you will miss only minutes of Episode 4 of Police which gained notoriety last week with rape and today is concerned with the Reading pop festival.

5.05 am For Schools, Colleges, 10.10 You And Me. 15.15-15.07 and For Schools Colleges, 12.55 Tells, After Noon, 1.60 Pebase 15.75 One. 1.45 Camber siet, Green, 2.01 For Schools, Colleges, 3.40 Delia Smith's Gookey Course, 3.25 See Heart 3.75 February, News for Engines Research, 15.55 February, 1.00 Secret Squirrel, 4.25 Jacksmer, 4.40 Playhouse, 3.55 February, 4.40 Playhouse, 3.55 February, 1.50 Blue Peter,

BBC 1

391

5.40 News 6.00 National Changes and South Electrical (1)

6.25 Nationwide:
6.25 Nationwide:
6.25 Nationwide:
6.25 Doctor W.D. Starring
Peter Dawiston
7.20 The Rockford Tiles, starring Faties, Carrier
8.10 Panagana,
9.00 News.
9.25 Last of Summer-Wine,
starring Bill Owen, Peter
Spitis and Brian Wilda.
9.35 Postar, A Look inside
Thanses: Valley Constatyling Valley Constatyling Valley Constatyling Valley Constatyling Norman
Rockington and Rokund
Curring Norman
11.38 News Headkings.

11.88 News Headlines. 11.40 Speak For Yourself (Help in the use of effectiva . English).

All IBA Regions as London: Left. Right and Centre. 11.10 Central except at the following times:— News. 11.15 Peris by Night. 11.45 Something Different.

Ti20: pm Anglis News: 2.30 Monday film Martines: "The Sandwich Man," starting Michael Bantine and Norman Wisdom. 5.15 Lolversty Chellangs. 6.30 Survival. 10.35 Anglis Raports. 11.00 The Palace Presents: Michael Legrand and Rolf Harts. 12.00 Supembar Profile (Alan Ada): 12.30 sum Reflection.

BORDER

1.20 pm Border News. 2.00 Film:
"Stolen Nours, eterring Susen Neyward and Michael Cmig. 3.45 Monay
Go Round. 5.45 Bygones. 6.00 Looksnound Monday: 6.16 The Sound of
Wynford Evens. 6.30 Mr end Mrs.
10.30 Robert Burne—A Celebration.
11.00 The Entertainare (Elkie Brooks).
11.30 Border News Summery.

CENTRAL

1.20. pm. Central News. 2.00 The Mondey Screen, Matinee: "Sapphire." saurring Nigel Patrick, Michael Craig and Young Mitchell. 3.45 Money-Go-Round. S.00 Central News. 10.30

(S) Stereophonic broadcast

Medium. wave
 B) Binaural, broadcost

S.00 am As Radio 2. 7.00 Mike Reed. 8.00 Simon Bates. 11.20 Dave Lea Travie. 2.00 pm Peul Burnart. 3.20 Stava Wright. 5.00 Peter Powell. 7.00 Stayin Alive with Andy Peebles. 3.00 David Jensen. 10.08-12:00 John Peeb (5):

RADIO 1 --

CHANNEL - ANGLIA

1-20 pm Channel Lunchtime Naws. What's Dn Where and Wearther. 2-30 The Monday Marines: "The Healem." 5-15 Emmerdele Farm. 8-00 Channel Raport. 6-30 The Two of Us. 2-00 Quincy. 10-28 Channel Late News. 10-35 Ladies Man. 11-55 Glifing Greats (Pater Thomson). 11-30 Sarney Millar. 11-55 Naws and Weather in Franch. GRAMPIAN

ever fresb Kaleldoscope

10.10 am Managing the Micro. 10.35 Speak For Yourself. 11.00 Play School.

11.35 Write Away.
2.00 pm A Child's Place.
2.25 Maths Help.
2.40 Other People's Lives.

gramme.
3.30 The Peter Principle.
†3.55 Star Movie: "Ruthless."
5.40 Undersea Kingdom.

3.05 The . Computer . Pro-

11.25 Play It Safe!

8.25 am. First Thing. 1.20 pm North News. 2.30 Monday Matinae: "The Horse's Mourth eterring Alex Guinness. 6.00 North Tonight. 6.30 Caunae for Concern. 8.00 Robert Surna -A Calabration, 10.35 Let There Ba ove, 11.00 The Palace Presente host

Jeck Jones and guest star David Soul. 12.00 North Headlines. GRANADA 1.20 pm Gmnada Reports. 12.30 Mondey Marines: A July Red Fellew." 6.00 Granada Reports. 6.30

Mr Merlin. 8.00 Quincy. 10.30 Sellers: From Nere To Eternity.

RADIO 3

HTV 1.20 pm HTV News. 2.30 Monday Matines: "Alithe Spirit," starring Rea Harrison and Constance Cummings. 5.15 Diff'rent Strokes. 6.00 HTV News. 10.28 HTV News. 10.30 Survival. 11.00 Nezal. 0'Connor. 11.30 Soap. Nezal O'Connor. 11:30 Scap.
HTV Cymru/Wales—As HTV Wast
except: 12:00-12:10 pm Ffalabelem.
4.15-4.20 Mr Magoo. 4.46-5.15 Ser.
6.00 Y Dydd. 6:30-7:00 Raport Wales.
8.30-9:00 Yr Wythnos. 11:00-11:30
World in Action (as HTV Wast at
8.30 pm)

6.55 Riverside. 7.30 The Genuina Article.

7.55 Porridge 8.25 Grace Kennedy.

9.30 Horizon.

10.45 Newsnight. 11.30 Télé Montage.

0.00 Three of a Kind.

10.15 West Country Tales.

SCOTTISH 1.20 pm Scottish Naws Needlines, Road Report. 2.00 Monday Metinsa— "The Healers." 3.45 Money-Go-Round. 6.16 Emmerdele Farm. 6.00 Scotland Today. 6.40 Crimadesk. 8.00 Surra— A celebration. 9.00 Quincy. 10.20 Let There 8s Love—Men and Superman. 11.00 Lets Call. 11.05 Ngaio March Mystery

1.20 pm TSW Naws Needlines. 2:30

The Neelers. 4.12 Gus Honeybun's
Meglc Sirthdeys. 5.15 Emmerdale
Farm. 6.00 Today South West. 6:30
The Two of Us. 8.00 Quincy. 10.32
TSW Late News. 10.35 Ladies Man.

LONDON

9.30 am Schools Programmes. 12.00 Cockleshell Bay. 12.10 pm Rainbow. 12.30 Do It Herself. 1.00 News, plus FT index. 1.20 Thames News with Robin Houston, 130 About Britain. 2.00 Money-Go-Round with Joan Shenton and Tooy Bastable. 2.30 Monday Matinee: "Hunters of the Reef." 4.15 Dangermouse. 4.20 Graham's Ark. 4.45 The Book Tower, 5.15 Mr and Mrs.

5.45 News.

Chalmers visits Alassio in Italy.

7.30 Coronation Street. 8.00 Let There Be Love, star-ring Paul Eddington Nanette Newman and Henry McGee. 8:30 World In Action. and 9.00 Hill Street Blues.

6.00 Maggie. 6.25 Mr Smith's Favourite Garden. 6.50 Newa Summary, 10.00 News.

10.30 "The Looking Glass Wer." starring Christopher: Jones, Ralph Richardson and Anthony Hopkins.

12.25 am Close: "Sit Up And Listen" with Gillian Reynolds.

† Indicates programme in black and white

11.05 Golfing Greats (Peter Thomson) 11.30 Samey Miller. 11.55 Postscript 12.00 South West Westher. TVS

1.20 pm TVS News. 12.30 Monday Matinee: "Green for Osngar," starring Alestair Sim. 5.15 Radio. 5.30 Cosst to Cosst. 6.00 Cosst to Cosst (cont.): 6.30 Hazal O'Connor. 2.00 Quincy, 10.30 A Full Life with Lady Longlord. Thriller (" The Killing Gama") TYNE TEES

6.20 am The Good Word. S.25 North East News. 1.20 pm North East News and Looksround, 2.30 Monday Matinas: "In Search of Gregory," startino Julia Christia. S.15 Nappy Oaya. 6.00 North East Naws. 6.02 Mr and Mrs. 6.30 Northern Lills. S.00 Quincy. 10.30 Northern Lills. S.00 Quincy. 10.30 North East Nawa. 10.32 Briefing. 11.15 Lou Grant. 12.10 am The Other Side.

YORKSHIRE 1.20 pm Calendar Naws. 12.30 monday Matinas: "Floods of Fasr," starring Howard Kasl, Anne Haywood, Harry N. Corbatt and Cyril Cusack. 4.10 Love—American Style. 6.00 Calendar (Emisy Moor and Salmont editions). 6.30 ft/s a Var's Life. 9.00 Quincy. 10.30 Thera's-Life North of Watford. 11.00 Lou Grant.

RADIO

(S]. 4.55 News. S.00 Mainly For Pleasure (S). 7.00 Aspects of the Blues. 7.30. "L'laois Disabitats." opers in (we acts by Haydn (sung in Italian) (S), including 8,15-B.20 Interval Reeding. 8.15 The Distance, the Shadows. 10.05 Enesco: Sonsta No. 3 for Violin and Piano (S). 10.30 Jazz in Britain (S). 11.00 News. 11.05-11.15 Alkan (S). ol Jazz (S)., 9.55 Sports Desk. 10.00 The Mondey Movie Quiz. 10.30 Star Sound. 11.00 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour (S). 2.00-5.00 You and the Night and the Music (S). David Jersen. 10,08-12:00 John 6.55 am Westher. 7.00 News. 7.05 Peel (S):

RADIO 2 Stove Jones (S) 7.30 Mex. Brush (S). 10.00 Mesic For Terry Wogan (S), 10,00 Jimmy Young Organ (S), 10.00 Jimmy Young Organ (S), 10.00 Jimmy Young Organ (S), 10.00 Jimmy Young Organ (S), 10.15 Settings of Robert (S). 12:00 Gloria Hundiford (S). Burns (S), 10.35 Settings of Robert (S). 10.00 pm News. John Dang (S), 2.60 News Sport. 8.00 - 108-88C Lanchtime Concent (S), 2.00 John Dang (S), 3.00 Folk (Do. 2 (S)). Maximes Musicale (S), 3.00 New Records 2.00 Humphrey Cytalston with the Best of Museousky (S), 3.30 New Records

RADIO 4 8.00 am News Briefing. S.10 Farming Week. 6.25 Shipping Forecast. 8.30 Today. 6.35 The Week on 4. 8.45 Glyn Worsnip with a selection from the B&C Sound Archives. 9.00 News. 9.05 Start the Week with Richard Beker. 10.00 Naws. 10.02 Money 8cx. 10.30

Oâily Sarvice. 10.45 Morning Story. 11.00 Nsws. 11.05 Oown Your Way visits Horshem in West Sussex. 11.50 Postry Pleases! 12.00 Nsws. 12.02 You and Yours. 12.27 Legal, Decant, Nonest and Truthful (\$1, 12.55 Westher. 1.00 The World at Dne. 1.40 The Arthers. 2.00 Nsws. 2.02 Woman's Hour. 3.00 Nsws. 3.02 Afternoon Thesim. 4.35 Back in Ten Minutes. 4.45 Story Time. 5.00 PM: News. magazine. S.50 Shipping Forecast. S.55 Westher, programme news. 6.00 News., including Financial Report. 6.30 Just a Minute. 7.00 News., 7.05 The Archers. 7.20 Start the Week with 6.30 Just a Minute. 7.00 News. 7.05
The Archers, 7.20 Start the Week with
Richard Baker. 2.00 The Monday Play
(5/8]. 9.00 French's Without Tears,
a.30 Kaleidoscope, 9.59 Weather, 10.00
The World Tonight, 10.30 Science New.
11.00 A Sook at Badtime. 11.31 The
Finencial World Tonight, 11.30 Today
In Parliamant. 12.00 Naws.

Telex's role in contract law defined

is taught that a contract is formed by an offer and an acceptance, and that the acceptance must be notified to the person making the offer before the contract is concluded, The cases in the courts have

5.45 News.

8.68 Thames News
6.25 Helpl with Viv Taylor an exception to the general principle. Acceptances of an offer by either of these two modes of communication is Ed Stewart reports on a effected the moment it is placed to the hands of the post office. decided that an acceptance by modes of communication is effected the moment it is placed in the hands of the post office. Forida; Chris Kelly goes if however, the acceptance is telephoned through when there Tyrol; and Judith is instantaneous communicais instantaneous communica-tion, the contract is complete, when heard by the offeror. Into

which category does a telex message fall? Twenty-five years ago the

Court of Appeal treated a telex message as being within the general principle. Last week the House of Lords to Brinkibon Lid 'n Stahag Stahl' Und Stahlwarenhandels GmbH confirmed that that was the correct view, although the Law Lords indi-cated that the general rule might not cover all variations on the telex theme.

There may be cases where any time until the letter acceptthe telex message is not made iog it had been actually received. as between the principals to the contract, in which case difoften many days later (particu-larly when the mail delivery ferent considerations might was slow or unreliable). arise simply because the instan-It seemed logical, as well as taneity of the communication sound common sense, to say that does not have the same conthe place, as well as the time sequence of notification to the contracting party.

Before examining the business of acceptance should be where (as when) the acceptance is put

efficacy of this legal rule, one may ask wby it matters where, a contract bas been made. After all, the place where a contract is made is almost always quite irrelevant regards the contract's validity,: its interpretation or enforcement. In one important respect, bowever, it matters vitally in international agree-

ments. In order to sue in this country for breach of a contract the plaintiff must obtain the leave of the court to serve the writ on the other party overseas. To obtain that leave it is necessary to show that the contract was made within the jurisdiction Often enough that will admit

of a simple answer. If both parties are in England at the time of the making of the contract there is no difficulty. Where communications cut across .. national boundaries. however, the answer may not always be so easy to determine. . The case before the House of Lords neatly illustrates the difficulty that can arise. Brinkibon entered negotiations with an

EVERY first-year law student telexes between London and designated recipient instant telex is a clerk with no Vienna. Finally a telex was sent on May 3 1971 from the Austrian company in Vienna. This was said to amount to a counter-offer. It was fol-

THE WEEK IN THE COURTS

BY JUSTINIAN

lowed by a telex from Brinkibon in London which purportedly amounted to an acceptance. . If the acceptance had been party. posted, the contract would have been completed in London and wrong to place telex messages

the contract made in England.

so that Brinkibon could prop-

Austrian company. If it bad

been telephoned, it would have

been complete when heard by

the Austrian company in its Vienna office and the pro-

ceedings could not have been

The exception to the general

rule was developed by the

courts because of the obvious

mischief consequence which

would follow if it were beld that

an offer might be revoked st

in the charge of the mail-

tinction between instantaneous

communication by word of

mouth (the general rule) and

non-instantaneous communica-

tion where there was time-lag

between utternance and recep-

tion (the exception to the

general rule). The sound approach was to put telexes into

the category of instantaneous

Lord Wilberforce put the

issue succinctly: "Where the

condition of simultaneity is met,

and where it appears to be

within the mutal intention of the

parties that contractual ex-

changes should take place in

rule, but not necessarily a uni-

The Law Lords were very

communications over the years

and the many variants on the

selves the principals to the con-

Thus the courts drew a dis-

delivery service.

communications.

versal rule.

erly serve its writ on

taken in England.

taneously. Messages may be sent anthority to conclude contracts. outside office bours, overnight, with the intention or assumption that they will be read in due course. Something may happen at the recipient's end to cause a delay in the message getting through to the contracting

In short, it would be quite

invariably into one or either of

the two categories. No universal

rule could cover all eventuali-

ties. The variations would have

to be decided with reference to

the intention of the parties, by

sound business practice and a judgment of where the risks

should lie. If, however, the telex

message is an instantaneous one between the principals the

The strict logic of the situa-

tion might suggest that if the

telegram is placed on the same

footing as a letter so ought the

telex. There is very little, if

any, difference in the mechanics

of transmission between a

private telex from one business

office to another and a telegram

sent through the Post Office,

especially one sent from one

Even the element of delay

will not be greatly different in

the typical case where the operator of the recipient's

large city to another.

general rule will prevail.

cipal. A telex message in auch a case is not received instantaneously by the responsibla principal.

Three reasons however, led the Law Lords to say that on balance it was better for the law of contracts to equate tha telex with the telephone as an

who bas to hand it to his prin-

instantaneous communication. The first reason stems from the law's inclination to affirm its own precedent. For a quarter-century the rule had been such and it seems to bave worked without leading to serious difficulty or complaint from tha business community.

Second once the message has been received physically in the recipient's office it is up to bim to arrange for prompt bandling of the message. Third, a party (the acceptor)

who tries to send a message by telex can generally tell if hia message bas not been received on the other party's (the offeror's) telex-machine; whereas the offeror will not know if an unsuccessful attempt has been made to send an acceptance to him.

It is, therefore, convenient that the acceptor, being in a better position, abould have the responsibility of ensuring that bis message is received. Hence, the general rule, and not the postal rule, should normally apply to telexes.

*Entores Ltd v Miles For East Corporation [1955] 2 QB 327. †[1980] 2 Lloyd's Rep. 556

RACING BY DOMINIC WIGAN

SATURDAY'S racing had promised followers of the jumpiog game entertaining sport and pointers to Cheltenham. In the event it proved neither enjoyable nor informative.

Celtic Ryde broke his back in a fall at Haydock. The ground was so beavy I would not care to put much faith in the value of the Peter Marsb Chase form with the Cheltenham Gold Cup in mind.

In the South, Little Owl was this way, I think it a sound pulled up s long way from home in the Fulwell. It seems the Gold Cup winner of 1981 lost his bit at an early stage there, conscious of the use of telex rendering him almost totally rudderless under part-owner Jim Wilson. theme. Senders and reciplents of telexes are often not them-Little Owl's early departure

was not as disappointing for a few as was, for the majority, the dust forecast naming the 5-2 winner, Venture To Cognac, and 66-1 runner-up, Great Dean, who in either order paid just The messages may not reach, 24p to a 10p stake (odds of 11-8

On the recommendation of the Betting Office Licensees Association leading bookmakers are withholding pay-outs on forecasts until an inquiry has looked into the affair.

Favourite-backers could not have had s better dsy on the corresponding afternoon at Leicester a year ago when all six races were won by the market leader. With searching ground inevitable on this occasion, however, backers should tread warily.

On his best form Applalto, the one-time high-class Alto Volante gelding-arguably the unlucky loser of Leopardstown's Sweeps Hurdle in which he bad the worst of runs—would be a "racing certainty" for the Cottesmore Novices Chase. Here however, I would be wary of supporting him.

A better bet is Same Date.

LEICESTER 1.00-Same Date***

2.30-Cole Porter* 3.00—Libol** : 3.30-Morayshire

GOODBYE DATASAAB

-What's happened?

1

-Datasaab is no more--What, the company? -No, just the name. -Well, haven't you got a new name? Of course. We were given it as a new year's present.

-Datasaob? Ericssan Infarmotian Systems? What's gaing on?

 Yes, it is a bit camplicated at first. I'm nat reolly used to it myself yet. Let's take it word by word. You start.

-Datasaab. Let me see. Ta me Datasoob means Alfaskap and bank terminols. And business systems Series 16. And didn't I reod something about you being token over by some telephone company?

-That's right. Ericssan. Although "some telephone compony" is no woy to tolk obout one of the world's leading telecommunications suppliers. The Ericsson Group has over 70.000 employees spread throughout 100 countries. So we're not locking in resources. Or technical

–OK, then I suppose the ward informatian reters to this new office automotion age the popers have been tull of lotely. Just about every camputer supplier is talking about systems that con communicate with each other, no motter where they are, and telephones and teletex ond distributed doto processing ond...

-Yau're on the right track. But watch out for the people who sold that very tine clath ta a certoin king. They're still oround. And for others moking claims they will have a hord time justifying. To moke the kind of systems we're talking obout demonds o very high level of system knowhow. It also demonds occess ta considerable resources and the ability to coardinate them within a number of decisive system oreas.

-Systems?!?

—Encsson Information Systems! A completely new campony created by the Ericssan Group through o merger of three different... company units, each with o unique area af campetence needed to develop o genuine integrated information system. You'll hear from us saan.

ERICSSON



Stress: industry's avoidable cost

BY ARNOLD KRANSDORFF

BRITISH companies beware. There is a very real threat claims for the effects of stress at work may have to be met in the future.

A British court recently set a precedent by awarding an engineering fitter £7,750 for moderate hearing loss due to noise stress—a judgment which may well herald the beginnings in the UK of what s become a popular dis-

ability claim in the U.S.
So says Dr Andrey Llvingston Booth, director of the
newly-formed Stress Syndrome Foundation which has gained executive support from such industrial heavyweights as Sir Monty Finniston, a former chairman of British Steel and Walter Goldsmith, the director general of the Institute of Direc-tors, and Baroness Phillips, who has held numerous publie service appointments.

The foundation's aim is to

expand research into the problems of stress and help to reduce its harmful effects. Dr Booth, who is a specialist in neuro-psychology. believes that claims

WHEN IT comes to family rows

Cary Cooper thinks that the

employer has a lot to answer

for.
The pressures of modern-day

stress. Often this spills over in-

to home life and when it does,

it can compound problems at

Companies, he believes, do

As a specialist in organ-

behaviour Cooper

believes he is well

not do enough to help their

qualified to hold such an

opinion. He is professor of

organisational psychology and

on Executive families under

understanding of the existence

and causes of this condition,

some of the antidotes he recom-

mends do seem rather like

spoonfeeding.
He believes that the conflicts

and strains that families experi-

ence have probably the most

important influence on the

DESPITE the international

economic recession, British consulting engineers are taking an increasingly large share of

Commissions for UK consult-

sector alone, particularly mass

transit work, doubled in value last year to £2.5hn. The capital value of all new overseas com-

missioned work secured by

British consulting engineers during 1981 was £11bn, com-

pared with £6bn the previous

international engineering pro-

jects commissioned last year had a total capital value of

£46bn. Fees earned by British

consulting engineers from their

The Association of Consulting

Engineers, which represents the

tancies engaged in overseas

work, has noted a developing

trend in the location of new

contract work and the nature

120 major engineering consul-

to approximately

portion of this work will

international contract work.

While this reflects a keen

for stress could be very capensive for industry. In the U.S. in 1978, 17 per cent of disability claims in one state alone—Čalifornia—were related to job stress, otherwise called "cumulative trauma" by local lawyers. She believes that British

companies should introduce special stress control programmes. These could lavolve a number of alternatives. including day, weekend or midweek seminars at an outside location. Inhouse courses could be arranged to reduce staf disruption, while special individual programmes could be provided if people could not spare any time off.

Generally, treatment for stress would include special instruction on hreathing and gentle yoga-style exercises supplemented by courses giving relevant information, she explains.

If this were done, the savings to industry could be "considerable." Dr Booth estimates that the direct cost of stress to British industry in 1979-80 was £3bn in terms

have always been reluctant to

families on companies—claiming

that they are "irrelevant to managerial performance, to



of working days lost through absentecism brought about hy horedom or stress-related illness. Stress, she says, can manifest itself in both mental and physical ways and stems from situations evoking fear, anxiety, worry and frustra-

more

The impact of the family

through stress than through strike action, which is a sobering and expensive thought," she says.

Dr Booth made these comments at a recent one-day symposium on stress, 2 subject that is generating a great deal of concern at the noment. More than 50 companies were represented at Dr Booth's presentation, many of them household names.

Another speaker, Professor Cary Cooper, a specialist in organisational psychology, has also recently published a book on executive stress and its effect on the family, while the Institution of Industrial fanagers is about to hold a one-day workshop on stress.

Dr Booth believes that any control programme should have one basic objective: to teach employees how to drive, service and maintain a very valuable precision made system—the human body."

To illustrate her point, she cites an everyday event whereby important business has to be discussed over a

working lunch. The stress of the occasion, she maintains, can affect ordinary bodily functions such as digestion because salivary juices stop

Because of this the executive needs to pace himself in his use and management of energy. He has to learn to recognise over-arousal in kimself and how to reduce

"It need only take 10 minutes but it must be done, or he'll have dyspepsia, gastritis or worse, then take antacids, which upset the delicate acid / alkali balances "she says."

"Working breakfacts lumches Working breakfasts, lunches and dinners should be kept to a minimum; these should be natural breaks when

an executive takes his foot right off the accelerator. Weekend breaks should be sacrosanet." She adds: "Learning how to pace and drive ourselves without wear and tear is what stress management is all about."

Stress Syndrome Foundation

Cedar House, Yalding, Kent. (0622 814431.)

Allow working women more flexible working hours so that they can arrange their working/home commitments accord-

 Allow spouses to accompany managers on a certain number of business trips a year and provide more free time to pre-

individual's home life phase change is less disruptive when one is single than when one has children starting school, for example.

relocation, which should he long enough to eliminate or minimse separation from the family. At such times, time off for house bunting and moving should be the norm, rather than a privilege; other travel should be kept to a minimum and arrange ments could be made so that either party, during times of

stress. By Cary Cooper, Prentice-Hall Int. 66 Wood Lane

pare and recover from travelling. Gear relocation plans to the

Provide adequate notice on

separation, has someone to turn to in domestic emergencies. * Executive families under

End. Hemel Hempsted, Herts. £8.95 hardback; £4.45 paper-

BOOK REVIEW

BY JEREMY STONE

Plumbing the depths of RTZ

1873-1954 by Charles E. Harvey. Chapel Cornwall, £25

HUGH MATHESON was earnest Scot who devoted his life mostly to the virtuous accumulation of money. In his spare moments he endowed churches and threw himself — like his friend Mr Gladstone — into the reclamation of London prosti-

Sir Auckland Geddes, also a Scot, led an academic life as professor of anatomy at a bureaucrat in the 1914-18 war. This led him on to become a Unionist MP and British ambassador in Washington. unofficial life was in some ways more incongruous even than Matheson's; in 1931 his "Through the Veil — A Thril-ling Psychic Drama" was produced pseudonymously in the West End of London. The common factor in their

lives was the Rio Tinto Company. Matheson founded it in 1873. Nearly 60 years later, at the time of his theatrical success, Geddes was its chairman. But far from being dilettantish in his methods of management, Geddes transformed Rio Tinto.

What Matheson had created -using his spotless City reputation to gloss over the risks of his speculative venture was a company designed to operate a single mine in Northern Spain. It was the impetus of Geddes which sent Matheson's Rio Tinto down the road to becoming a multi-national conglomerate now known as RTZ.

Perhaps because it combinessize—and a long burse—with exceptional taciturnity, RTZ has been more written about than most companies. Richard West's commando-style expose -River of Tears*-gave a less than flattering account of RTZ as it was in 1972, and of its post Second World War growth. The picture was one of ravished landscapes and exploited colonial workforces. Not on Queen Victoria's Birthday't appeared in 1974, a luxuriously illustrated cen-tenary chronicle by RTZ's then archivist, Dr David Avery. Although there was a large celebratory element in Dr and carefully-chosen, type re-assess West's ten Avery's book, it was not—he faces; he was also prone to indictment emphasised—an official history, exaggerated cash-flow projec. **Tout of print.

on quite a few of them. Where port facilities and miles of

Alison Hodge, 5 Dr Avery concentrated on expensive railway as well as Street; Penzance, social aspects of the story, Dr immense mine-workings. Harvey's approach is financial The case made for multi-

natural resources has always been that they can benefit the economy of a host-nation by mobilising assets which would otherwise be dormant (even undiscovered). Economie development results from the increase in tangible local wealth —as royalties are paid—and from the increased economic Canadian university hefore achieving success as a Whitehall well collects about itself.

Dr Harvey applies quantitative tests to this hypothesis. reaching the disappointing but significant conclusion that exploitation of the original Rio Tinto mine between 1875 and 1954 was more beneficial to the economies of Britain and France than of Spain. On the other hand, he argues convinc-ingly that the original price-paid for the right to work the Rio Tinto deposits was fair.

Cartels

Dr Harvey's most interesting contributions, however, are to be found on a less exalted plane than international welfare

His narrative is at its best when it homes in on the ways in which this large enterprisewere as important to the comthe flavour.

Even RTZ's own historian was forced to record that the 1873. prospectus - offering for sale 200,000 shares at £10 each -"appeared to many to be almost fraudulently optimistic." - Dr were right; there is little doubt, he writes, that the (Matheson) upright Matheson was not only

tions. An equity base of £2m The Rio Tinto Company — an There were warts.

economic history of a leading international mining concern, pendent history sheds new light undertaking which involves of facilities and mining concern.

In its early years, the Rin Tinto Company was forced into onerous bank loans, conversions national companies to exploit of its debentures into ordinary shares, and heavily discounted bond issues. By 1878, when the company recorded an attributable profit for the first time the ordinary shares had sunk to a

mere £2.50. Once through these vicissitudes, the company became ex-tremely profitable. But when Goddes came to head it in the 1920s, times trad again become more difficult, and diversification into the North Rhodesian copper belt was one of the curative strategies which he pre-scribed. His vehicle was the

Rhekana Corporation.
A certain ruthlessness characterises the way in which Geddes collaborated with Sir Ernest Oppenheimer in assembling and consolidating their control of Rhokana. In brief, they appear to have arranged the develop-ment finance of Rhokana in such a way as to dilute the minority shareholders into insignificance.

Acting as underwriters to a Rhokana debenture, they set the interest payments high enough to ensure that Rhokana would default. This outcome was obvious to others besides Rio Tinto and Oppenheimer's Rhodesian Anglo American, the majority shareholder. So it was and its promoters — applied it not difficult for Rio Tinto's inself to the manipulation of mar-house stockbroker — J. C. im Thurm-to buy in £2m of the kets. Rio Tinto was adept at Thurm—to buy in £2m of the the making and breaking of £4.5m issue, or for Angle to cartels, and did well out of the mop up the remainder. When Secretan copper corner of the Rhokana promptly suspended 1880s. But financial markets payment on the stock the holders naturally accepted payment pany as the markets for copper in Rhokana ordinary shares. As and pyrites. Two examples give a result, their combined state rose from 65 per cent to 84 per .cent.

It is to this deal that the modern RTZ can be traced. It sets the precedent for geographical diversity. And It ensured - along with other Harvey can now show that they, investments in Rhodesian copper —that Rio Tinto survived the 1939-45 war. Geddes's Rhodesian investments were the launching syndicate deliberately under investments were the launching stated the risk and overstated pad of RIZ's post-war expansion. the likely return on capital. It is, only a pity that Dr As a prospectus writer, the Harvey has not brought his analysis nearer to the present a master in the use of red ink day, at least close enough to re-assess . West's . ten-year old .

head of the department of Management Sciences at the ger but also a real cost to the either spouse. organisation. Many of the problems that University of Manchester, and So what can an employer do? While difficult to quantify, he has recently published a book

BUILDING AND CIVIL ENGINEERING

quotes government estimates that, in the UK, industry loses roughly 300m days a year because of short-term. stressrelated lilness. Calculations in the U.S. suggest that pressures at work create physical, social and psychological problems that may cost in the region of between 1 and 3 per cent of gross

national product, he adds. There are a large number of

South America are likely to

provide the most growth in new

commissioned engineering pro-

The importance of harhour

and dock construction to British consultants is declining, accord-

ing to ACE, while there is sub-

stantial growth forecast in

water supply and disposal pro-

jects such as desalination plants

engineers worked on a host of

major mass transit contracts.

The elaborate extension of

Hong Kong's Mass Transit Rail-

way will be supervised by Kennedy and Donkin and

Charles Haswell, while the Iraqi

Government awarded a contract

to British Metro Consulting

Group to design, implement and put into service the first stage

In Taiwan, British Mass

Transit Consultants have heen

retained to provide consultancy services in the form of a

of the Baghdad Metro.

Last year, British consulting

and sewerage facilities.

British engineers' successes

ing engineers in the transport jects in the next five years.

consequently, on the climate lack of job security, relocation, and success of the nation's the pressure of too much or too businesses. However, employers little work, thwarted ambitions, too much husiness travel, and acknowledge the impact of lack of effective communication — all factors that become exacerbated during periods of economic downturn.

have minimal effect, or to be On top of this, life is being none of our business." made even more complicated He asserts that the mental hy an altogether new factorand physical effects of job stress the increasing number of wives are not only disruptive influwith careers. This can restrict the promotional moves of ences on the individual mana-

both male and female managers and their families face are a consequence of changes in society and the reluctance or insensitivity of organisations to recognise them and take the necessary action to minimise their negative effects," says Cooper.

"Obviously, both male and female managers share a large number of difficulties, but it is also true that femalo managers performance and satisfaction of potential sources of managerial bave additional concerns and the individual manager and, stress, he says. These include problems to overcome by vir-

consultants for the £600m light

railway system in Valencia,

ACE is confident that the

growth in new commissions in

ing engineers are able to com-

pete in world markets, the

association claims.
This view is enthusiastically supported by Mr Jim Wiltshire.

joint senior partner of Kennedy

that British consulting engi-

neers still retain their ability

to compete successfully, both financially and technically, in a

"They also show how British

firms can combine when a

particularly large or complex

project requires the varied expertise of a number of con-

world

result

highly competitive market," be claims.

The 1981 assignments show

snbstantial.

and Donkin

to meet the challenge. Referring to the "staggering" cost of stress-related in-ness, ha says: "Perhaps if per-

Cooper stresses that indivi-duals and families must be pre-

pared to help themselves but

the employer can also do much

tue of being women."

sonnel departments or cost accountants in organisations focused more on the financial costs of the human asset, then more flexible, imaginative and futuristic policies would be

Cooper is not short of suggestions-some are his own, others Among them:-

 Hold seminars for spouses to enable each to learn what is going on in each other's

 Provide nursery facilities or child-minding support so that wives can engage in other activities. Even provide wives with part-time jobs in the

Americans as the Leonardo da

rather like wooden igloos, cost 5 to 15 per cent less to build

than conventional bomes of

comparable size, and offer energy savings of between 30 and 50 per cent.

During the 1920s, Fuller con-

cluded that the building arts

had not kept pace with techno-

logical innovation. After inten-

sive research he discovered

Home in a dome

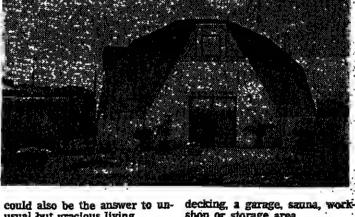
ACE's members are clearly feasibility study for the Taipei hecoming less dependent on the Gulf states for new work, while while a number of British firms forman company Cathedralite, store Egypt, South-East Asia and have been retained as subinstant homes comes from Calistandards as a typical one-formian company Cathedralite, storey rectilinear home (bun-whose consultant is R. Buck-galow) but requires between 30 minster Fuller, lauded by some per cent and 50 per cent less energy to maintain a comfort-Vinci of this century, able living environment.

Fuller's maxim of "doing The reason for such substanmore with less" resulted in tial savings lies in the fact that

1982, while perbaps not as the geodesic dome, which is the geodesic home has 38 per dramatic as last year, will be likely to prove more attractive cent les exterior surface area on all levels British consulting engineers are able to com-The Californian domes look and less surface area from which heat can escape.

The designers say tha fewer the partitions the better, because air naturally travels in a circular pattern and the greatest enemies of continual air flow are floor to ceiling walls, air-stifling corners, and low, flat ceilings. A dome effi-ciently keeps all three air movement barriers to a minimum.

that the triangle was the strongest, simple geometric shape in nature. His geodesic Geodesic homes are at the least up-market prefabs-suggested for weekend use, as dome concept emerged as a separate structures for visiting in-laws or overnight guests. The dome, with half of the But for those with families or who entertain frequently, the living space upstairs, provides the same square footage, winspacious 50-ft diameter home



usual but gracious living. With 1,800 sq ft on the first floor alone, there is the option of adding a second floor to bring living space up to more than 2,700 sq ft, making way for more large bedrooms, a roomy kitchen and perhaps a study or den. In the middle range, the 30 ft and 35 ft Vista model includes a preframed ready-to-stand first floor interior and exterior wall arrangement, main uncut materials for the second floor interior wall. This package also offers scope to include

shop or storage area. Most domes are sold in kit form, usually exclusive of interior materials for the main level and loft (if any). addition to the shell, the kit includes prefabricated stud walls for the lower level, materials for the second floor joists, subfloor and staircase.

The shell for the 35 ft diameter model arrives on site in the form of a few lower level wall sections, 60 prefabricated "the world's m triangles in 2 x 4 ft or 2 x 6 ft building system."

construction & Industry Solihull Reading

(overhang) for weather protection and openings, sets of flashings, and so on.
Once the lower level is in place, the entire structure can be assembled and ready for its

cedar shingle covering within eight hours, says Cathedralite. This package is aimed at DIY enthusiasts, and the company reports that 75 per cent of its customers do some building and finishing, while a quarter do almost all of the work them-selves. Prices for the Vista model start around \$20,000 in

the U.S. Confidence in its product begins at the company's own corporate offices, which consist

of a cintch of domes demonstrating what the company calls "the world'a most advanced construction, riser wall, two Cathedralite 820 Bay Avenue, skylights, sets of canopies Capitols Catif. CA 95010.

INTERNATIONAL CONTRACTS

NKK builds bridge over Keihin Canal

NIPPON KOKAN KK is constructing a 410-metre, three-span other two spans will be box girder bridge over the 119.5 metres. The bridge will kellen Canal, north of the use 4,300 tons of steel. Tokyo International Airport at Haneda. This bridge, the longest of its kind in Japan, will link Showa Jima Island with Ohi Pier and will make up part of the metropolitan Bay Eighway.

The contract is worth about in Libya Y50,000m (£117.8m). Called the Keihin Unga Kyo.

the bridge will feature the use of steel instead of concrete for both traffic lanes. The bridge's central span will measure

MAI computers

Desalination

BUCKAU-WALTHER, Grevenper day. Having its own 15 MW power generating uoit, the desalination plant will be independent of the public supply

In addition to the delivery of DM 135m (£31.1m) contract manufacturing complex in Bagh-includes the building work and dad for Iraqi State Tobacco structure. Commissioning is project is in association with scheduled for summer 1983, cigarette machine specialist after which Buckau-Walther will Molins and calls for electrical The three-pass desalination plant will use the multi-flash

broich, a Krupp Group company, has been commissioned by the town of Ajdabia, Libya, to build a sea water desalination plant as The plant will produce 30,000 cubic metres of drinking water per day. Having its the control of the control of

evaporation process and is one

PAUL HANNON of the largest desalination plants ever ordered from a German

Power generation is by two heavy-oil or gas-fired steam boilers, and two turbogenerators. There is a starting diesel engine, and a storage tank for 9,000 cubic metres of heavy oil. Of the 15 MW output, 6 MW will go into the public power supply system.

OHBAYASHI-GUML one Japan's leading construction companies, has won a contract worth \$11.2m (£5.9m) for the rehabilitation of the Straw-berry Tunnel inlet in Utah. The contract was awarded by the U.S. Department of the Interior, Bureau of Reclamation,

and preparatory work has started. Excavation work is scheduled to Principal components of the work consist of the construction of about 1,200 ft of inlet channel.

2,435 ft of 10 ft 9 ins fully-lined tunnel, and gata shafts and gates. Ohbayashi-Gumi will use a road header manufactured by Mitsui-Mike for the tunnelling opera-tions. The total excavation volume will he about 20,600

A \$45m (£23.9m) contract to build a medical school, the first phase of the Bahrain-based Gulf University, has been awarded to SAINRAPT ET BRICE. The French company also built Bahrain's Regency Continental

UK CONTRACTS OVERSEAS

A contract worth over £1.46m has heen gained by BLIGH ELEC-TRICAL, Canterbury, for elecall the plant components, the trical services at a cigarette manufacturing complex in Baghcreation of the necessary infra- Enterprise. Bligh's part in the manage the plant for four years. installations throughout the 200 metre long production Molins are supplying and installing cigarette manufacturing and packing plant. The associated conveyor system is being supplied

Steel order

S. W. FARMER AND SON bas an order from Fluor (Great Britain) on hehalf of Abu Dhahi National Oil Company, for structural steel valued at £2.2m for the Tham-mama "C" Gas Project at Habshan, Abu Dhabi, United Arab

The work consists of piperacks,

equipment support structures, yessel platforms, building and

UK CONTRACTS

£12m orders for **Crudens**

A RANGE of building work worth more than £12m has been secured by CRUDEN CON-STRUCTION, Warrington, Housing work has taken a £5.8m share and includes a 130dwelling project in Preston for the North British Housing Association; a 60-dwelling contract at Higher Broughton, Salford for the Salford Com-munity HA; and a £1m Muir Group HA contract to provide 60 traditional dwollings on the Canalsido in Chester.

Work on the Merseyside improved housing contract for 45 sheltered flats in Walton Village, Liverpool, is due to begin this month. The company's private developments, worth £900,000—at Chadderton in Oldham and on five sites in the Tameside district - are already underway, with the first batch of completed homes due to be placed on the market soon. Work on the Halifax Building Society's new four storey branch office block io central Manchester is worth £1.7m and involves the replacement of the Victorian "Halifax House." In Broughton, Chester, the

£366,000 Cheshire County Coun-

cil contract to build a new Fire

Brigade control centre is underway. Building is scheduled to take 12 months. Industrial work comprises a five month contract for 18 factories at Astmoor, Runcorn and a £488,000 contract to provide 23 advanced industrial units at Wlawick Quay. Warrington: both for the Warrington and Runcorn Development Corpora-

Refurbishment and modernisations are featured high on the list with four contracts totalling £1,1m in Liverpool. These include the £170,000 conversion of the old "Gordon Smith Seamen's Institute" for Poulsom and Co, and three other rehabilitation contracts in Anfield, Sefton Park and Toxteth, for the

City of Liverpool.

Finally, the company has been engaged on three re-roofing schemes, worth a total of £853,000 and consisting of a 48top floor flat scheme on the Coldhurst Hollow Housing Estate, Oldham, a 67 house and flat scheme at Hnllinwood Oldham - both for Oldham Borough Council; and a couract to provide 54 new roofs at the Dovecote Estate, Liverpool for the City of Liverpool.

Around the Industry MONKRADLE ENGINEERING and property assets.

(a Monk's access engineering division) has completed a hattrick in winning a third order for one of its specialised bridge maintenance gantries for West Sussex County Council'a Adur Bridge.

Purpose-made to facilitate inspection and maintenance of major hridges, the gantries are either hydraulic or electric drive with automatic self-levelling and anti-crabbing WHETHER FOR drilling sersystems, built-in scissor lifts, vices holes through floors and lights and electric power and built-in screen and lights. lights and electric power SOUTCES.

TAYLOR WOODROW Construcand electrical services.

ATCOST group has launched a new company called AFL which if says has been specifically

owned company to extend its method of carrying out the present market in the design work, says Craelius, Long and installation of mechanical March, Daventry, Northants. Called Taymech, this will also

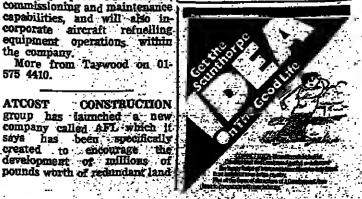
develop the present fabrication; commissioning and maintenance capabilities, and will also in-corporate aircraft refuellingequipment operations within the company.

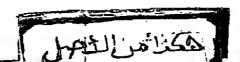
More from Taywood on 01-575 4410.

CONSTRUCTION created to encourage the development of millions of

This is believed to be the first commercial advisory unit of its kind in Britain, says Atcost, and will arrange specific confidential advice for companies with under utilised or neglected land or buildings. Further on 0892 26288

ceilings of buildings, or used outdoors taking rock cores to check deposits in quarties, an 8-hp petrol-driven Pixie 51 drill tion is to form a new wholly- is proving to be an inexpensive Further on 087272 343.





Glasgow Citizens

Puntil and Matti

by MICHABE COVENEY

Herr Puntile and sein knecht Matti is quite literally. Brecht's most escapist play as witten this funnest. It was written during phree weeks in 1940 while the Battle of Brissia assed and Brecht, with his family, dropped fugitive anchor on a country estate in stinland. Giles Havergal's production opens with the sindion his wife and two children marrising through the auditostum with hegs slung over their shoulders. They are welconded with the laying of a generous table. Brahms waltzes heard on alcoholic landowner Puntila, Who is reasonable when drunk but unbear ably crael when sober; is taken up in a mood of amataur pieca a solidity well exploited

ably cruel when sober, is taken up in a mood of amataur theathcals that springs logic-ally from the social warmth and high spirits of these first moments. The device also reflects the circumstances in which Brecht came across his material for this play. Terry Bartlett's design is a sort of huge white-walled barn with solid furniture and a baystack solid furniture and a paystata fine the corner. It has a fine country atmosphere and that atmosphere blows not only through the prodoction (Gerry through the prodoction (Gerry Laurance Rudic. The former chatters like a 1920s vamp. of private liberation experi-enced by Brecht (Robin Hooper) while writing the play We liear a speech of Churchill on the radio; Brecht ponders the helplessness he feels as an

This was an interesting peripheral touch in the presentation. It has become fashionable the sauna sceee) of Eva by to snape at Brecht for the ambiguity of bis pragmatic attitudes and the naivety with hilarious.

Purcell Room

The state of the s

Suoraan by PAUL DRIVER

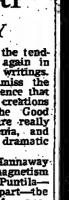
ensemble's three concerts at the Purcell Room began with the first performance of Michael Finnissy's Duru-Duru, a transformation of verbal and musical folk-material from Sardinia for mezzo-soprano, flute. piano and percussion, which proved utterly seductive and is one of the composer's best compositions tp-date. The title refers to a kind of "dancetitle refers to a kind of "dancesong" and the piece was written which followed. The Wonderful as a wedding gift for the present which followed. The Wonderful as a wedding gift for the present which followed. The Wonderful as a wedding gift for the present which followed. The Wonderful as a wedding gift for the present which followed. The Wonderful which with conceived for voice and closed piano-voice getting by with as few as three ginting ornate. electrically nich first and nich stinsibility as well as the missical incidity belong to

onissy. Firmissy, nominally the enble's pianist comes increas Cage, both featured in this fully on his aesthetic interests ffian on those of Clarke and Richard Emsley who are Suoroan's directors. Three Cage for just three performers of the elastically scored Atlas Eclip-ticalis (if can use as many as 86 instruments and last any amount of time). Finnissy obliged by acting as the human to exhibit once again Michael clock which minimally limits a Finnissy's unblinking thuncompletely random production derous virtuosity.

The second of the Suoraan of pitches. The resulting instance of ultimate pointillism was pleasant and soothing in its way for the listener. It dld not go on too long (though it outlasted certain applause) and it afforded the incidental stimulus of deciding whether Miss Nendick,-seated impassively in the curve of the piano, was actually participating or not.

She was in all probability just waiting for her two Cage songs

Afterwards Miss Nendick unwrapped ber; own present from Michael Finnissy, a solo vocalise, Ohi Ohi Ohi; composed in gratitude for long and faith-Mand inevitably to dominate ful advocacy. It was light and scrivities. Its preference witty and had a lift and it was the music of Xenakis and sumptionsty set forth. In two set, both featured in this pieces by Richard Emsley and sumptuously set forth. In two one by Clarke the refined atmosphere of the music-making was disturbed. Emsley's Helter Skelter for flute, vibraphone and Sucroan's directors. Three Cage plano, a hypnotic weave of items were included on Thurs sounds was tastefully enough day. In the first, a realization composed but his Juniper Tree for the full ensemble was an interminable noise-maker, while Clarke's Red Skies for plane, another "continuous sweep of sound," served merely



master and servant lends the pieca a solidity well exploited by both Mr Hannaway and Jane Bertish as a transexual Matti. The only casualty of a woman playing the chauffeur is the loss of accual tensions in the sauna, where Matti plays an innuendo-ridden game of cards with Puntila's daughter Eva.

Eva and her fiance, the chin-less attache whom the drunk Puntila knows will benefit his whila Mr Rudic has penfected a languorous "Anyone for tennis?" rambling gait, loose at the knee. The effect is to present the young things as equal outsiders (Eva is, after all, just bome from a Brussels convent) and one of the play's comic, highlights, the "pre-



THE ARTS

Peter Janes and William Rushton in a scene from "Pass the Butler," the first stage play by Eric Idle, a member of the Monty Python team. An anarchic comedy in the Joe Orton tradition "Pass the Butler" als o starts John Fortune and apens a West End run at the Globe Theatre tomorrow after beating box affice recards during its provincial tour.

Architecture

Finns and fascists

by COLIN AMERY

now provides as an architectural centre. Both the Royal rectural Association, with its Italian eatablishment. There rich programme of lectures and was fervent debate about the delightful exhibition gallery at 34-36. Bedford Square, are regular and good suppliers of the small exhibition. Inevitably the AA School is a livelier. the AA School is a livelier. He spoke to the architects, source of ideas than the RIBA, "It is abourd not to want a but Mr John Harris of the rational and functional architectures collection at 21, Porticular for our time... man Square, manages to pursue an independent and creative think it is beautiful. This is line of his own that is enriching to the more businesslike of the fascist era should look interests of the RIBA.

The AA is currently playing host to an exhibition called, Any advances in design are Sabaudia Citta Nuova Fascista severely compromised by ideo1933 which is a display of photographs and drawings and a film square is allgued with the about one of the five oew towns built by the fascist regime in Italy between 1932 and 1938. These towns were built oo the about 80 kilometres south of Rome. There was a competition for the town's design and it was won by young Roman architects — Cancelloti, Scalpelli, Piccinato and Montuori dominating fascist tower surrounded by state and party is more to explore in the artistic movements of the 1930s than movements of the 1930s than their fascist origins. Sabaudia — continues architectural Association shows that it is more than that the eager students and the interest goes too.

"mystery" of the street. There is more to explore in the artistic movements of the 1930s than their fascist origins. Sabaudia — continues architectural Association shows that it is more than that the literast goes too.

Sabaudia — continues shows that it is more than that the literast goes too. about one of the five oew towns dominating fascist tower sur-

Two recently opened exhibitions above the richness London rationalists.

Two recently opened exhibitions are now described as others at the AA would be wise not to forget that these towns Like the more familiar rail- were colonised, the populations way station in Florence by the Institute of British Architects, architect Michelucci, Sabaudia by the politicians, the building with its Heinz Gallery at 21, was seen as an antidote to the programme was forced to suit Portman Square, and the Architecture of the the ceremonial timetable of was fervent debate about the three shifts a day with one of proper atyle for the regime to adopt in the 'thirties and Mussolini intervened, as is revealed all his enthusiasm for the new Sabaudia is fine for me and I

Well what does it look like?

were moved and puahed around Mussolini-even to the extent of architecture, appears on the church in the background of the Annunciation of the Virgin Mery in rural Italy. There are telling photographs of all the architects in their black ahirts

of the exhibition is the essey in the catalogue by Guiseppe Pasquali that attempts to relate the new architecture to the art of De Chirico who loved the nostalgia of the infinite and the "mystery" of the street. There

At the Heinz Gallery the Finnish erchitect Lars Soock (1870-1956) can be seen as a piooeer in Scandinavia of the kind of architecture that H. H. Richardson began to build much earlier in the U.S. Out of the elements of tha vigorous Finniah vernacular Sonck Finniah ashioned his own distinctive atylea, His work is best seeo in

Helsinki where the Telephone Company huilding and the Stock Exchange are two examples of two distinctive aspects of his work. He was both runic and rugged and late in fine brick lining up to receive the praises buildings closer to a romaotic of the dictator. buildings closer to a romaotic dec atyle. His work and The most interesting aspect stylistic developments are well covered io this thorough exhibition, which brings to England for the first time some particularly fine drawings. The show is organised by the Finnish Museum of Architecture and is accompanied by a well-

Sabaudia — continues at the Architectural Association, 34-35 Bedford Square, London, WC1.

Lars Sonck -- continues at

the Heinz Gallery, 21 Portman Square, London, W1, until February 27.

Royal College of Music. ...

Albert Herring by RONALD CRICHTON

prise, even disbelief, at the considerably greater, the critic of Britten's chamber textures. should have a natural sympathy for sated ears, the real pleasure for sated ears, the real pleasure gangling, kept the comic years of greed, bossiness or of bearing small-scale operas, business under control and puritan disapproval.

often given under unsuitably reserved his main effort for Miss Wordsworth (Marilyo inflated conditions, in the kind of building for which they were conceived.

A case in point was Britten's Albert Herring, given by the Royal College of Music

night—alax, for only two per-

Albert's outburst after return- Rees), Mayor Upfold (Chris ing from his binge - excel Kirby), lently done. The older characters in Herring present difficulties for young singers. beastly mum was made far too The Lady Billows of Sue Mc- nice by Mary Hart, but abe had Students' Association in the Cullocb was quiet, refined, pur-

teresung reading prise, even disbeller, at the formances. No need for young Gorgon of Loxford, who may praise sometimes beaped in these columns on student opera came over. The conductor the old sense — the widow, performances when grander. Graeme Jenkins not only kept more likely, of a self-made man infinitely more costly profes- the balance right (be could keighted for well-directed bene-sional productions may earn safely have let fly a little more factions. She might bave factions. She might bave short shrift. But expectations in the introduction to Act 3 and changed places with her for-the climax of the mock midable housekeeper, alarm-threnody) but he and his ingly well portrayed by Maxine for inexperienced performers is players were in full command Symons. A point that bad not occurred to me before is the Mosically there was virtually importance of the month in for young artists. There is also, no weak link, John Graham-Hall suggesting advancing age.

Superintendent (Nicholas Greenbury), were all very clearly defined. Albert's beastly mum was made far ton one of the best voices in the

One senses occasional sur- Parry Theatre on Thursday poseful, not overbearing. In- cast. Neither Nancy (Jane (John Avey) was quite right, but the couple did their love scene, one of Britten's best, very nicely. Parson Gedge (James Ottaway) started too effusively but soon got it right. The two girls Emmie (Jane Streeton) and Cis (Alison West) were fine, but Harry. (Helen Opie) was misjudged. Bryan Drake's generally sensible, straightforward pro-

duction here and in one or two other details encouraged overplaying of bumours already explicit in the music. Wheo be wrote Herring, Britten's instincts were already keen but he was richer in inventions than experience. Overplaying reveals passing longueurs which experienced artists can conceal. A may be expected, grandly carried, but rather edgily and thoroughly enjoyable evening.

St. John's, Smith Square

Sing + Circle

by DOMINIC GILL

point.

The evaning was framed by György Ligetl's Aventures and Nouvelles Aventures—those anti-operas" of the aarly 1960s influential for their wild and adventurous use of extended vocal techniques and their evaluerance as for all their exuberance, a cuoning demonstration that vocal "noise" and simple music-theatrical gesture can ba worked into a musical canvas of remarkable economy and delicacy. Perhaps Nouvelles Aventures should ideally be given immediately after Arentures, as a blatantly comic and contrasting pendant, to make its best effect. But as overture and coda the pair also make their point. The delivery was towacious, and bad presence accuracy, especially in Arenaccuracy, especially especially especially especially especially especially especially especially especiall gained greatly from splendidly deadpan performances by the

percussionist James Wood,
Dominic Muldowney'a In
Dark Times for four solo voices Brecht. It's a rich, uneven ae-ouence. Some, like the poem of of a strong and original musical

The solo vocal quartet called and direction. The steady, Baro The action vocal quartet caused and direction. The steady, Bafo-sing circle and the instrumental ensemble Circle combined under their founder-director Gregory Rose on Saturday night to offer a lively collision of the companion to offer a lively collision of impressive, icy gust of music assorted pieces from the recent and words. The final "Motto," unaccompanied, is very simple and very recent repertory—
a contrasting mixed bag which
successfully gave the lie to the
notion that the only worthwhile
concerts of modern music are
those devised to illustrate a
particular theme or didactic
The evaning was framed by
Gydrgy Ligetl's Aventures and
Western and words. The surface should be suffered to the surface and words.

In this should the surface and words.

In this surface, and words.

In this should the surface and words.

In this surface, and words are the surface and very beautiful. Others were less closely focused: the setting of the iotensely characteristic of the iotensely characteristic

That was at first hearing. But I've no doubt that later and more technically assured performances will reveal more of in Dork Times — even as the transitional work that I suspect it may be, pointing the way perbapa towarda a sbarper-cut, more richly coloured and lyrical has yet to achieve? The vocal quartet sang their lines crisply and capably, without ever really catching the full range and nuance of the Brechtian tone. Few of the words were audible without the written text (the its best effect. But as overture composer's rather than the and coda the pair also make singers' fault). None the lesa, if

stylisbly played between timea by Nancy Ruffer and Michael Finnissy. And also John Casken'a Music for the Crob-Dark Times for four solo voices bing Sun, composed in 1974 for with five instruments, specially harpsichord, flute, oboe and commissioned for the coocert, cello — like so many works of sets eight poems by Bertholt that composer, a web of scurrythe fifte. are built, and move, sensibility emerges, but fitfully, with a atrong sense of character when the texture thins.

Coliseum

Figaro

by MAX LOPPERT

cssentially lacking in any convinced stylistic identity, was rather uncertainly revived on Friday under Roger Frith's supervision. The lacklustre conducting of James Jodd was little of plucky personality, but now help; and while one or two of plucky personality, but now tions of the original had been removed, a major idjocy — the appropriation of the introduc-There are some new outbursts character—a bawling, booming of frolicking, and even dance. In the Act 2 finale that sit unbackslapping and stage-Cockney nla'n postures struck at other times.

comfortably, in more than one sense - neither fruit uliv plain all through nor vigorously comic, a kind of Mozarran noman's land. The hedned flower beds into which Figaro constantly plunges in the last act reduce much of it to mere foolishness: Is it too late to scree the scenery in its entirety at this point and begin

again! The current cast lacks élan. unity of purpose, and, mostly, beauty of tone. Lois McDonall's

Jonathan Miller's 1978 pro- form on Friday, and pecked at duction of The Marriage of the music; even Neil Howlett, Figure, amiable but vacuous and whose aour-visaged Count was

help: and while one or two of one of very strained vocal prothe more unfortunate inven-tions of the original had been phrases; and John Tomenson in the title role. It mystifies me how a singer of such profuse appropriation to "Porgi amor" as a minitalents, vocal and dramatic, scene involving the Almaviva could have come up with such offspring - remains at large, a dull and dogged view of the with a gusto as powerful as was irritating. The role needs to be takeo to a Bruscantini or But then, to my eyes and ears, a Gobbi, and put together on the whole production sits un- entirely new and stylistically more secure lines, piece by piece. But then, of the whole show much the same could be

Delius contest

A competition for children and young people is being launched by the organising commitee of the fourth Delius Festival, which is to be beld from March 8 to 14 at the University of Keele and in Hanley, Stoke-on-Trent.

Entry forms are available from the Secretary. The Delius cloudily voiced. Eilene Hannan's Festival, c/o The Information Susanna was in oddly colourless Office at the University of Keele.

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F.T. CROSSWORD PUZZLE No. 4.780

ACROSS 1 Where Kiogs, Queens and Blshops may be found? (6) 4 Putting into store a bose-

but not for 6remeo (g) foreign letter at cost (6) 10 Notched pole made outside 5 Sweet and sour? (4) (8)

12 A means of escape from bend in front of trench (g) 18 Obstruct my site, it's already in a mess (6) 15 Fate no sailors follow (4) 16 Stranded in a field (7) 20 The last temptation is the

Eliot (7) 21 Just Simple Simon's proposed destination (4) Soldiers join part of race to warm up again (6) 26 Sweet sticky stuff given by doctors to girls (8) 28 Just a little cunning about a

The attitude of a golfer? (6) 30 So, having work inside, got 24 Drumming a design on the up sleepy (8) 31 Cat initially taking it from 27 Having an adverse handleap bird (6)

clue (8)

1 Pluto was an oceanic one (8) 2 Pig in fat left for a sailor 9 Publish without permission 3 Putting a clasp on your bead could be attractive (6)

> 6 Regular uniform (8) Small and cosy, and early enough (6)
> Wander about to acquire a small ingenious device (6) 11 It'a 14th June in the U.S.,

but in Aberdeeo it's said to be unpopular (4-3) greatest one, according to 14 Large aquatic mammal—a
Eliot (7)
record fellow? (7) 17 A spell of exercise and rest

18 Fish I catch in a baaket (g) 19 Search for a chance of success (8) 22 Note upward slopes and

turning points (6) 23 Bright pink dwarfish person (6) skin (6)

-that's positive (4)

The solution to last Saturday's prize puzzle will be published

with names of winners next Saturday.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Monday January 25 1982

The Finnish consensus

POISED BETWEEN the climatic party received in the last parlia rigours of the Arctic Circle and the chilly neighbourhood of the Soviet Union, Finland produces a tough breed of meo and a tougher breed of politicians. Mr Urbo Kekkonen, who resigned the presideocy last year for health reasons after baving towered over Finnish politics tor 25 years, is a prime example.

At home he made use of the considerable prerogatives of his office to hold together an occasionally fractious group of poli-tical parties. Abroad he pursued a policy of so-called active neutrality. Its chief purpose was to preserve Finland, after two lost wars against the Soviet Union. as a Western, essentially fore, Mr Koivisto is committed capitalist democracy.

As in foreign in foreign is committed to continuing politics of committed to continuing politics of com-

Doing so made it necessary to wio and retain the trust of the Soviet Union hy convincing Moscow that Helsinki was genuinely neutral in the political clashes between the Eastern and Western blocs, Realist that he is, Mr Kekkonen held that Finnish neutrality would not be worth much without that trust: credibility, be held, could not be achieved by unilateral declarations from

Mr Kekkonen built up a widenational consensus hehind that policy: all the candidates who mattered in the race for the succession were pledged to continue his kiod of foreign policy. Clearly the Finns were not impressed by occasional jibes in the West that "finlandisation" is a half way house on the road to satellite status.

The outcome of the popular vote for toe electoral college will ehoose Mr Kekkonen's successor tomorrow unforeseen, the choice must fall Mr Mauno Kovisto. Moscow turmoil Party, because that was what It was familiar with. But the Soviet Union acquiesced in the verdict of the Finnish people. which was not frightened by

Big Brother's preference.
At home, the widespread popular support for Mr Koivisto stand up to Moscow, preserving amounts to an earthquake its liberty and a considerable Never before has Finland bad a Social Democratic president, definition, active neutrality can-

mentary election.

But the earthquake is minor. Mr Koivisto has described him self as a cooservative Social Democrat. His party was at times infuriated by his financial orthodoxy as governor of the Bank of Finland, an office which he held before hecoming Prime Minister, Moreover, the frag-mented Finnish Parliament will require continued rule by a centre-left coalition: Mr Koivisto has rejected the option of dissolving parliament and trying to cash in on his personal popularity to give his party an

anical Gestetner copier. It was designed in 1929 by an Ameri-

The dearth of British products in the Boilerhouse will grow even more glaring as the year progresses. The current exhibition is to be followed by an in-

depth look at Sony, after which comes the design policy of Braun, the Cerman electrical

appliances maker. Only in the

autumn, hefore the opening of

a display of Italian furniture,

will Britain get a look in through the story of the design of the new Ford Cortina—much

of which was actually carried

This sad state of affairs is no

mere reflection of the personal taste of Conran and the Boiler-

house director, Stephen Bayley. Nor is it a diplomatic attempt

to avoid treading on the toes of

the Design Council, whose London exhibition centre regularly

features what is deemed to be

The policy of the Boilerhouse

oncern which bas prompted

springs from precisely the same

Mrs Margaret Thatcher, the

Prime Minister, to call a high-

powered group of designers,

industrialists, educationists, ministers and officials to Down-ing Street this evening for one

of her now famous seminar-

designers have been complain-

iog that they are having to look overseas for too much of

The first question on ber

agenda is "Why do so many

senior executives in British

Industry fail to appreciate the

design can make to a company's

uccess?" It is followed by What can be done about im-

proving (their) awareness?"

lies in the wbole social and

country. In essence, the prob-

lem results from "the low

esteem in which . . . every-

thing connected with industry

Industry Secretary,

rcceptions.

their work.

uccess?"

Many of the

the best of British design.

out io Germany.

clectoral boost. As in foreign affairs, thereto continuing politics of consensus also at bome. The indications are that Finland will remain true to the present formula of a market economy, with moderate interventionist

Mr Kekkonen beld that consensus together by forceful methods bringing his authority to bear on quarrelling politiciaos and occasionally governing with cabinets having a strong technocratic rather than party-political base, Mr Koivisto is more of an intellectual and bas given hints that he may relax the reins that Mr Kekkoneo held so tightly. That may involve something of a gamhle. hut it fits the pattern of his own electoral success which was the product of movement on the political stage without shiftneutrality and consensus.

Friendship

Consensus politics are not inappropriate for a small neutral state which wishes to protect its independence and its democratic institutions. The supports their view, Barring the Swiss practice it in their way; the Austrians in theirs. In on the present Prime Minister, Finland any serious ideological could eventually would have preferred a man endanger the careful balanre from Mr Kekkonen's Centre of the relationship with the of the relationship with the Soviet Union, which might be described as friendship at arm's

Russian acquiescence in Mr Koivisto's success shows that, within limits, a small nation in Finland's exposed position can freedom of movement. But, by Mr Kolvisto's personal popu-larity is such that he gained 43 Koivisto will bave to work bard per cent of the votes—almost double the support which his heritage.

How business can help councils

possible.

ONE OF the best indicators of the state of company profit slow to help or stand for election themselves as councillors. of noise and protest about nondomestic rates bills which, in ment in Peterhorough all the the lean years, become the more interesting and important. whipping post for all manner Four local husinessmen, with no of ills from redundancies to knowledge of local authority bankruptcies.

The protests tend to diminish to the merest whisper in years of high profitability because rates-a tax which does not vary with profitability-revert to their more usual role of a relatively minor charge. In the current year shops, offices, companies and factories will pay out about finn in rates, representing more than the total Corporation Tax hill and a sizeable chunk of the year's thin profits. The clamour about business rates has been correspondiogly loud and long.

seemingly immortal red herrings: complaints that husiness-mea do not have a vote tthey. like everyhody clsc, have one vote in all elections in the place in which they live); calls for the abolition, capping or centralising of non-domestic rates. A new development has been the increasing tendency to-wards challenging rate in-creases in the courts.

some poorly-informed debate

Effective

non-domestic raics some pertinent initiatives have been evolving For some time the Confederation of British Industry, which published a useful husiness-men's guide to local authority been urging its regional offices near the level which it needs to stimulate the formation of reached in parts of the U.S. In local groups to monitor local one American city, for example, council speeding and rating commercial leaders told the policies. These groups would, wherever possible, set up actively for a higher increasing regular dialogues with councillors to thrash out the proposed if the authorities the transfer of the councillors to those out the proposed if the authorities are the council of the councillors. balance between services oo the one hand and the rating impact the extra revenue to improve on jobs and the local economy the poor state of the public

which often feels it is being ripped off, and some councillers who regard the non-domestic rate sector variously as a milch little nearer a depressingly cow, an irrelevancy or peopled elusive goal.

This makes a recent experi knowledge of local authority affairs, suspected the city council might not be spending suspected the city money as effectively as was

With the local Tory MP, Dr

Brian Mawhinney, as catalyst, they decided not to make a big noise at first but quietly in their council's services and expendi-ture items in detail. The council leader. Mr Charles Swift, offcred them cooperation and encouragement. The result was that after six months of work they bad identified possible immediate savings of about flm out of a It has been accompanied by £12m budget. Mr Swift accepted the return of some old but the report graciously, agreed of the criticism was justified and promised urgent value for mooey in future. The husinessmen. for their part. accepted that their inexperience may have caused some errors

for savings.

The point is that a fresh look at one council's finances has heen taken by a small group with a strong local interest in all aspects of the city-rates, services, jobs and environment But hehind all the ooise and -in a spirit of goodwill and common objectives from all sides, politics being all him

and some impracticable ideas

Elusive

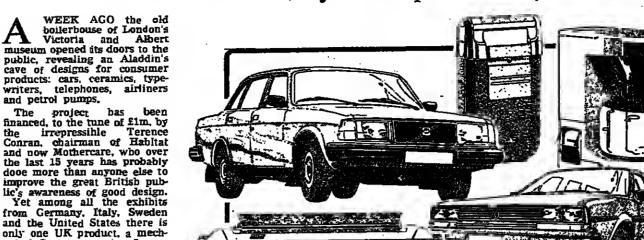
Confideore and understanding hetween British businessmen finance and expenditure, has and local councils is nowhere been urging its regional offices near the level which it has would promise in return to use on the other.

Nevertheless, a wide gulf far ahead of Britain in the remains between large sectors of the business community, between public and private between public and private positions. Four Peterhorough sectors. Four Peterhorough businessmen and their City council may have edged us a

INTERNATIONAL COMPETITIVENESS

Design: Britain's missing link

By Christopher Lorenz, Management Editor



Products of recognised good design: but bow many are British? Top: Volvo 244DL, Braun shaver, Krup coffee maker, Sony Trinatron TV; Bottom: IBM Electronic Typewriter 60, Clarks' Polyveidt shoe, VW 1982 Quantum Wagon, Austin Mini Metro LOL.

perceive what has made highcost countries like Germany. Sweden and Switzerland and and, above all, Japan such successful exporters.

The "missing" link-which is so evident as to stare most of Britain's competitors in the face -is the fact that price is by no meaos the only determinant of success in international trade. Timely delivery of the product, its reliability, performance and (sometimes) appearance all play an equally important role in many markets.

In some cases the last three factors-which together constitute the product's design-are far more important than price. This can apply, for example, to textile machinery, where only 4 per cent of British companies questioned in a 1977 survey attributed their "buy foreigo" decisions to price. Two-thirds claimed they were hased on the machinery's superior mance" or "quality,"

An even more dramatic example, this time a rare one In Brliain's favour, is the claim wide-ranging contribution that by Baker Perkins that its new line of high-speed, high precision biscult-cutting machines Is outsalling the German com-petition, in splte of the fact that It is 35 per cent more expensive. The simple answer to both of them, as many of Mrs The fact that companies like Thatcher's guests will tell her. Baker Perkins have been few and far between was already clear in a National Economic educational structure of the Development Council study five years ago, which showed that Brltisb engineering industry "tends to turn out products of lower unit value is still held in our culture," to quote Mr Patrick Jenkin, the than Germany or France," but to import relatively high-value goods. Analysis of the value least 150 years of history, and per tonne of exports versus will be extraordinarily difficult imports suggests that this trend is accelerating, in the wrong direction for Britain.
This is the dry statistical To ask wby so many captains of British industry fail to appreciate the significance of hackground to the reason why

anecdotal evidence behind her concern is more graphic. One working party after another has expressed its concern about inadequate product quality and design over the past few years. but the full extent of what has happeoed to the British presence in those markets markets will be underlined by the Boilerbouse in its next three exhibitions: consumer

small

appliances, and cars,

tronics.

In the first two it has been whittled away hy the Japanese and Germans to a few honour-

domestic

its conversion may have come too late to rescue the company. BL is not the only national name that has shown what better design-combined with marketing, manufacture and all the other aspects of managing a business-can do to its market share and profitability. The range of new designs belatedly introduced by the old Alfred Herbert machine tool company a few years before its death is now making respectable profits for the entrepreneur who rescued its rump.

In shoes, though it bas by no means spared the pain of job

Mrs Thatcher tonight is holding a seminar to discuss Britain's design failings

only the Metro and the Land Rover range hold out much hope at present if one discounts Ford (the non-U.S. end of which is a model for effective product design).

In every case, design has played an increasing part in a company's worldwide strategy. Once a low-priced supplier, Sony has captured an ever larger market share over the years by improving quality and design, and then pricing itself at or near the top of the range.
The import penetration of Braun and all the other German makers of small electrical appliances bas been achieved from the very of quality and design.

The same applies to Volks-wagen and Volvo, and the attraction of Japanese and French cars is by no means just their price. BL bas learned design is tantamount to asking Mrs Thatcher has called the this lesson, as the quality of appreciation of the importance why they persist in failing to meeting at Number Ten. The the Metro so clearly shows, but of the characteristics of a pro-

cutbacks. Clarks has avolded the terminal fate that has befallen so many of its former UK competitors by going np-market with technical innova-tions and unusual styling. One of the few bright lights in small domestic appliances is Redring, a GEC subsidiary, which has captured over 12 per cent of the UK kettle market in just one year with a revolutionary plastic jug type device, the Antoboil. And back in the motor industry, Lucas CAV has gained a world lead, and a market share to match, with its innovative Microjector diesel

find, and are usually well- Thatcher's guests. "Much more Designers and another of Mrs publicled. So why, even in the typically, we are involved in Thatcher's guests, that "national face of design-intensive foreign technologically complex pro- catalogues of approved products competition, are there so few ducts and we work in a wide and approved hists of manufacemulators?

fuel injector.

The short answer is that

duct has been hampered by system. For over a century and a-half they have elevated the "classical" (or "liberal") "classical" (or "liberal") attributes above the practical ones of the application of technical knowledge.

The educational legacy of Thomas Arnold and others militates not only against engineering design, but also against its visual aspects. As Mr Jenkin says: "So long as schools teach that it is more meritorious to paint a picture or carve a sculpture than to design an artifact for the market, for so long will we continue to fight an uphill battle to seure better design in British industry."

In other words, whether you are talking about biscuit machines or glossy retail displays, it is generally considered infra-dig in Britain to believealong with many German, Swedish and Japanese companies (and apparently Baker Perkins)—that "the product is paramount."

Even if this were not the case, it would be easier for design consultants, the government, or other interested parties to persuade the unconverted to give greater priority to design if it were not for confusion over the very meaning of the

"Our work is not solely concerned with tarting up the control panels of washing machines, or with producing umpteen alternative colour schemes to rejuvenate a 1973 vacuum cleaner," says Mr David Carter; head of one of the uei injector. country's leading design con- wi Such cases are not bard to sultancies and one of Mrs of range of disciplines."

he will either refer deprecatingly to "putting pretty hoxes round things" (styting, or so-called "industrial design"). or talk about "getting the product's technical performance right" (engineering design). He is unlikely to talk in terms of a combination of hoth.

So long as this confusion per-

So long as this confusion persists, even the most receptive executive will fail to understand what the Japanese bave learned so well, that design is a multi-disciplinary praces which must be managed from the top, rather than left to a particular function so that projects run into inter-depart-mental barriers.

Overlaying all these social, educational and organisational barriers to corporate invest-meat in better design are several economic factors. Most obvious is the argument that "we cannot afford to spend money on risky design projects and expensive re-tooling in the depths of an economic recession."
To which the enlightened

would reply as follows: that design is one of the best ways of differentiating your product in a recession; that a better design can often he cheaper to make than its prederessor (20 per cent in the case of the biscuit cutting machine); and that the risks of undertaking a project must be set against the risk of dning nothing, and perhaps seeing the Germans and Japanese kill your existing product stone dead.

As for the old arugmant that

good design does not sell in Britain because the consumer lacks either discrimination or disnosable income, this scarrely squares with the way that the British public rushes to buy premium-price Sony televisions and Volkswagen cars!

So what can be done to win over the massed bordes of "unenlightened" industrialists? The far-reaching proposal which has been canvassed is to attempt a social revolution by making design part of every child's general education, and also to introduce it into the business education ourriculum (a step being contemplated by the London Business School), Of a more sbort-term nature

are suggestions for a government-funded awareness cam-paign, along the lines of the microprocessor awareness project: this could perhaps be administered by the Design Council, which would also doubtlessly welcome the restoration of recent cuts in its grant.

The Department of Industry favours the use of public sector purchasing power to improve the standard of design, but as it has already found, this is a procedural nightmare. There is also considerable departmental momentum behind the idea of a German-style national product approvals system. But most industrialists are likely to agree with Mr James Pilditch, head of Allied International

turers are death to innovation, Yet if you ask the average change and progress. The only company director what he worthwhile judge is the con-understands design to mean, sumer."

Men & Matters

The light of Mrs. Thatcher's life

Forget the Iron Lady image. All those photographs of Mrs Thateber with ramrod back and head held high embody not so much her political resolutioo. as we had always thought, but a hitherto-private passion for lamp-posts.

It was to a group of schoolchildren just before Christmas that the Prime Minister let her sccret slip. As she travels round Europe "or wherever 1 have been," she gazes up at the local street-lighting, to decide whether it has been well or badly designed.

Mrs Thatcher's interest in design, expressed in the gathering at Number 10 tooight. It dates back, 1 gather, to a lecture on that subject which she attended to London's Royal Court theatre some 30 years ago, shortly before she became an MP.

Fired with enthusiasm for things which not only work well but also look good, she has been applying those criteria to lampposts in particular ever since.

Out of office

was about to say that the Institute of Directors takes a catholic attitude towards what its employees do on their days off-but that, come to think of it, might not be exactly the right word to describe David Burnside's work on behalf of Northern Ireland MP Ian Paisley.

Eagle-cyed industrialists may even have spotted Burnside, the IoD's director of Press relations. on television last week, speaking at a Press conference held "exiled" Paisley's campaigning

Burnside has in the past been

closely involved with Northern Lamin base still takes a keen interest in the Unionist cause. The loD is quick to point out

that Burnside's American trip was undertaken "in his own time." Not my idea of a holiday -but there, as they say, you go.

Herr styling

East German scientists need "more courage to take risks" according to one leading member of that fraternity giving an interview rerently to mark his 75th hirthday. The country understood perfectly bow 10 motivate vouoz people towards You will find discussed in a sporting success, he went on to feature to the north of this say. Why could similar techniques not be applied to science and industry?

While hardly qualified to enter such a debate, I would venture to suggest that what-ever may be lacking by way of scientific motivation, a shortage of titles is not part of the nonblem: as I am sure the distinished interviewee. Professor Dr. R.E.R. Nat. H.C. Dr. Med. H.C. Manfred von Ardenne,

Advance notice

'As we enter the year of the London Multi-Media Marke chirps a Press release which arrived on my desk over the weekend."... the urganisms As they due report that plans are ahead of

They sure are. The reiense is dated " 20th September 1982."

Going courting

Some of the countries wooing Mexico for a share of a pro-jected \$30bn investment in corners when it comes to sales-



As it was Mrs T who sold to President nionetarism Reagan, she is responsible for the Yanks' not heing able to afford to huy them now."

was in Mexico earlier this month to put Canada's claims. Now Sweden is seeding its King and Queeo. Industry newsletter Nucleooics Week quotes an ASEA-Atom executive in Stockholor saying, no doubt rightly, "we are the only hidder with the help of a royal couplea queen who speaks fluent Span-ish."

As they dug into the fish, chips and layer provided during the weekend talks on the rail dispute. I wonder whether any of the longer-serving negotiators for the National Union of Railwaymen cast their minds hack to the baleyon days of 1966. tu the halcyon days of 1966, when things were handled rather differently.

Talks then on a national rail

strike were held in Downing Street, a plusher venue than the offices of the Advisory, Conciliation and Arbitration Service Prime Minister Pierre Trudeau round, and Prime Minister

Harold Wilson was at the helm. As the 1966 discussions dragged on, staff at Number 10 were asked to prepare the traditional sandwiches to accompany the equally traditional beer. Mrs. Wilson, the secretaries and the housekeeper set to-but even when all the hread in the Number 10 larder had been used up, the negotia-tors, like Oliver, still cried for

Philip Bagwell recalls in his newly published history of the NUR how a member of the PM's staff was then despatched next door to Number 11 to commandeer the sleeping Chan-cellor of the Exchequer's one remaining loaf.

That, though, was not enough. Eventually, one of the jour-nalists waiting outside the negotiating room was sent off to the nearest railway station huffet to huy up its entire stock of sausage rolls—which finally did the trick. Even the NUR could not stand up to the threat of more BR catering and called off the strike hy 13 vntes to 11.

Unpresidented

French Prime Minister Pierre Mauroy was visiting Colombey les-deux-Eglises one day, and decided to have a look at General De Gaulle's grave. As he approached the spot, he heard a ghostly suhterranean voice call out to him " Mauroy, Mauroy, hring me a horse."

Mauroy was so shocked that he rushed immediately to the President Mitterrand what had happened. "Come hack with me, hear it for yourself," gasped Mauroy, "then you will know it is true" Mauroy. "it is true."

The two men returned to De Caulle's grave, and the hooming, crusty voice was heard once more: "Mauroy! I said a horse not an ass!"

Observer

How much would you pay to give a lost little girl a start in life?

Susie (that's not her raal name) attends one of tha special day care cantres we run for children whose future is at risk. As little as £2 could halp her. Sha is 31, the child of

a broken marriage, with a violent father. When first she came to us, she was so lost and disturbed. sha wouldn't speak and didn't even know how to

Now, she's beginning to talk and smila, she enjoys painting, and sha's 'building up confidance in herself so that as sha gets oldar, she may be able to relata properly to

Susie's tragic story is typical. Littla children like her, defencaless, bewildered products of our confused society, are tha ones most likely to end up delinquant. making a mess of their own lives, and their own children's lives in turn.

At Barnardo's, we run day Cara centres with trained and dedicated helpers for these children. And, of course, we run residantial homes and . schools for children --- but we ara always concerned to try and keep children and . . parents together. Our halp has no limits, but our money does. Skilled help like this costs a lot - though in the end It can not only giva Susie a start in life, but also: - save society a great deal : in latar years.



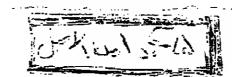
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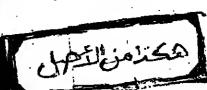
Compared to the second second

Won't you send what you car afford today? For only £2 you can buy a set of paints. For £10 we can buy a sand-tray -and little aids like this help so much. For £100 we can feed a child for a whola year at tha centre. Everything halps. And It helps even more if you covenant to pay regularly That way wa can claim back rax, so every £1 you give is worth £1.43. Not a penny is wasted, because we are very careful with the money we get, and many fina helpers do voluntary work for us. Please send what you can today to me Nicholas Lawe,

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Vehicle Fleet Management

As the fleet transport industry struggles to survive the effects of the recession on trade, two rapidly developing areas—contract hire and distribution—appear to hold out the greatest hope for sustained long-term growth in the commercial vehicle sector.

Pressure to control operating costs

BY LYNTON MCLAIN, TRANSPORT CORRESPONDENT

THE MIND of almost every irony that this versathe and mercial deals with potential customer full legal ownership of large enough to take full transport manager of small and mutually-beneficial business fleet owners, often enticing sales the vehicle or fleet of vehicles. advantage of the deduction. large fleets of care to light in the depths of with offers of zero interest on Cash, either from internal company funds or borrowed operator the legal title to the pany funds or borrowed over the large orders. concentrated as never before in 1930a recent months while companies The slump in trade in almost have searched for ways of surveying in the face of the worst industry and the domestic consustained slump in demand for sumer, apart from the food trade and transport services sector, has shaken the road most of the managers dare to

Only two types of fleet transport managers would care to take a different view: the horn optimists—and there are a few dustry have been off the road of those in the industry—and for 12 months, laid up for lack the managers of the rising band of work, and with few willing of companies specialising in exploiting the misfortunes and ket inefficiencies of other transport operators, to the mutual benefit .. of all concerned.

These companies offer industry the benefits of contract hire of cars and commercial vehicles, and, in a more recent development, contract distribution. In its ultimate form, contract distribution can involve the specialist transport operator taking over the entire vehicle fleet of another company as a way of releasing capital and easing cash flow for a customer whose financial position has been shaken by the effects of

This new form of contract, hire arguably holds out the greatest hope .. for .. long-term growth and stability in the commercial yehicle sector, where so far it has found its main rele. If this proves to be

industry and the domestic confreight transport industry to its core. An estimated 15 per cent to 20 per cent of all commercial vehicles operated by the publicsector haulage contracting intakers in the second band mar-

Depreciation

In the company car sector, its costs and benefits to staff and management have been scrutinised more closely than ever. Depreciation periods have been examined and lengthened where they have been deemd to he uncomfortably-short in the gloomy trading climate of low revenues and lower profits.

High interest rates have done nothing to help to boost sales of fleet cars to the main customer companies those with large sales forces, high numbers of mobile maintenance personnel, and companies involved in business spread over wide

hit hard at the manufacturers too, and car and truck makers

vehicle stocks held by the manufacturers and has helped to boost morale in those companies who decided to invest in new cars near the bottom of the

The hope of those companies is that they could soon see benefits from an investment that can only cost more-whatever the form of financing involved— once the recession has lifted, as according to convent economic wisdom it must conventional

The range of options for financing car and commercial vehicle ficet acquisitions is as wide as ever. It covers outright purchase, hire purchase, rental. contract hire, leasing, and the developing financial tool of contract distribution

These arrangements can be made direct with the vehicle manufacturer, through an offshoot of the maker, through specialist rental, contract hire and leasing companies, or through the hanks and finance A further tier could involve

the many management service companies which deal with operators of fleets of cars. trucks and vans, advising on finance, the best way to manage maintenance schedules and carpooling schemes.

Outright purchase has the ohvious henefits of giving the market rates is also an obvious requirements.

Mr Brian Hayward, managing director of National Carriers, part of the soon-to-be-denationalised National Freight Company, listed some of the disadvantages of owning out-right commercial vehicles in a recent paper to distribution managers at a conference organised by the British In-stitute of Management's Centre for Physical Distribution Man-

Licence

By law, the owner must have an operator's licence, the "O" licence which bas a string of statutory requirements attached to it. These include keeping tachograph records of drivers' hours, keeping vehicle records, maintaining lorries in a safe condition, ensuring that vehicles are not overloaded and arranging for regular safety. inspections, Mr Hayward said...

These represent the time and money-consuming responsicommercial vehicles. However, these "difficulties" may be more than countered by the increase in the asset value of the company through the outright ownership of the fleet of vehicles. Capital allowances can also be offset against taxable profits where these are

vehicle or fleet, but the assets are purchased by the finance house involved. The principal and interest are paid back by the operator on a regular basis. Capital allowances are the same

as for outright purchase and

changes in interest rates do not

affect the sums involved. Under leasing arrangements, the legal title to the fieet re-mains with the leasing company. Although teasing similar advantages to hire purchase agreements, the advantages which brought leasing to prominence in the 1970s largely Finance Act, 1979. This brought the rate at which capital allowances could be charged on leased cars into line with the

rate for cars bought outright. Nevertheless, for companies which have used all their llability to tax, leasing still can he attractive.

It is in the field of contract hire, however, that the henefits for the industrial customer and the growth for the fleet supplier has started to become apparent in a big way.

Under contract hire, a form of medium term leasing, the legal title remains with the hiring company. Mileage and the period of the contract determine the scale of charges. These will usually be regular, allowing tight hudget confrol



The new Ford Cortina Ghia is at the top of the best-selling Cortina range. More than one in every ten cars sold in the UK is a Cortina but in October its successor the Sierra, will be launched.

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Editorial production by Catherine Darby, design by Phil Hunt

Ford Motor Company is coovinced that there has been a "distinct movement" from finance leasing to contract hire,

Comp

Profile

especially since mid-1980. The company said recently: "In the late 1970s open-ended leasing (which atlows a lessee to end the agreement on payment of an agreed figure at any time after a fixed initial period) and halloon leasing (low rental payments over a period, followed by a large pre-set final payment to pay off the forecast residual value of the vehicle) were very attractive because of the low

monthly rentals. "llowever, as used-vehicle residual values have been falling steadily since mild-1980 there has been a distinct move-

hardened because of Increased vehicle maintenance and repair CHISTS.

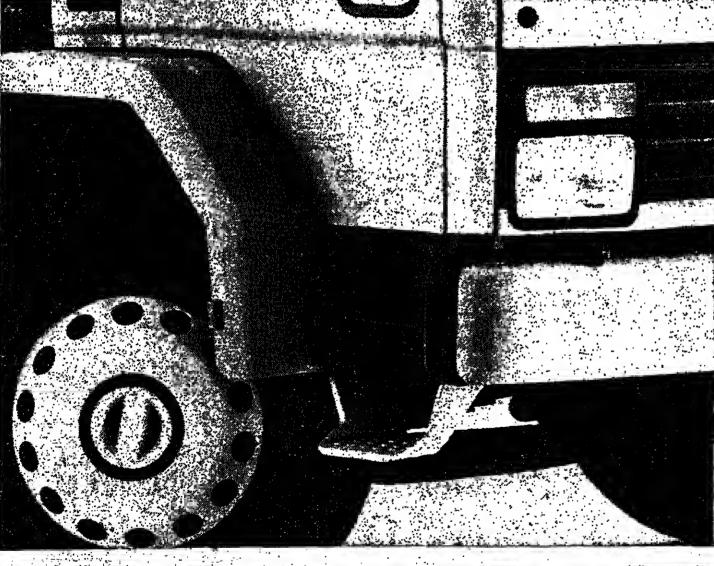
Ford believed that continued uncertainties over vehicle residual values and forecasts of double-figure inflation in 1982 will increase the desire for controlled vehicle operating costs and ensure that contract hire continues in demand."

The most comprehensive and potentially, beneficial form of contract blre, according to some of the larger fleet operators, is distribution and tiltimately full takeovers of industrial vehicle fleets by the This is specialist cumpanies. likely to appeal to industrial

contract hire. The trend bas and anxious to improve cash flow by paying for its transport needs out of revenue.

> deputy chairman and chief. executive of National Freight. said late last year: "The trend towards fleet takeovers bas grown during the recession. when the bite of distribution costs into margins has come increasingly under scrutiny.

"I would expect this trend to continue throughout the 1980s examine margins in a depressed British ecuuomy, we regard fleet lakeuvers as heing a happy hunting ground for our companies. And, of course, a financlally happy outcome for the-





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VEHICLE FLEET MANAGEMENT II

Business opposition slows up attack on fringe benefits

undermine the advantages of the car as a fringe benefit However, there bas been conaiderable opposition in busin**e**ss circles to any sweeping changes and the Government has been forced to make haste slowly.

The company car-is probably more popular in the UK than in any other country. The fundamental reason is that there are major tax advantages for an employee in having the use of a car owned by his employar, rather than owning his own

The car owner must pay for the capital and running costs of his vebicle out of taxed income. But if an employee uses a company car for private motoring he will, at worst, be assessed on a acale still well below the true cost of running a car, even after the scale is raised at the begioning of the 1982-83 financial year.

So even if the employee's salary is reduced by the true cost of baving a car provided, he will have substituted a low-taxed benefit for highly taxed marginal income. For many employees — those earning less than £8,500—the banefit is com-

pletely untaxed.
The attack by the Government on perks of all kinds was first launched in August, 1979. When the Conservatives first came into office, one of their major roocerns was to improve market mechanisms right through the economy. The case against fringe benefits was spelled out by Sir Geoffrey Howe, the Chancellor, when he said: "Perks are an inefficientand often wasteful way of rewarding effort. And unjust. Some perks are taxed in full. others pay no tax on identical might almost have been designed to set people enviously against earh other and so to bring our system into con-

Curbing perks

The motor car, and associated free fuel benefits, was the main target of the Inland Revenue's August consulative document which suggested ways that the perks system rould be curbed. This was because the Revenue found that car benefits represented about 80 per cent of the otal value of fringe benefits. The Reveauc argued that fringe benefits distorted the workings of the employment market and resulted in loss of tax income for the Exchequer.

But there was a vigorous counter-attack from, among others, the Confederation of British Industry and the Institute of Directors. So the Government was forced to climb down. In the 1980 Budget there were few actual changes to car taxation. Instead, the serondary benefits of ioterest-free loans and perks such as TV sets received attention. In the subsequent Budget in spring 1981 more was done, with the acale rate raised by 20 per cent in each of the two subsequent floancial years and petrol benefits brought into the net. Furthermore the rules on what ronstitutes business mileage were tightened.

The main problem for the Government in trying to tax rompany cars as a perk has been that for some employees the car is not a fringe benefit, but a necessary." tool of the trade." Company reps and salesmen fall ioto this category. It generally estimated about 70 per cent of naw cars

IT IS still highly tax efficient are sold for business use. About original for employers to pay their em- half of these are used as " tools ployees partly by giving them a of the trade." it has been rompany car. The government reckoned, with the other half announced its lotention to falling into the fringe benefit category.

- It is not necessary to use shortly after it came into office. scales or any other formula to tax the fringe benefit part. In most other developed countries employees are taxed directly on the benefits of the private mileage in a rompany car. This is usually done by establishing the proportion of private to total mileage and assessing the benefit as this proportion of the overall standing charge and running cost of the car.

> One of the reasons the British Inland Revenue switched from this kind of system in 1976 was that the number of company cars was growing so fast some kind of formula was thought desirable for administrative In fact what resimplicity. search has been done on this topic suggests that the company car system is more popular in the UK than anywhere else.

After the two rises announced in the last Budget, the scale benefit of having the use of a car less than four years old of between 1301 cc and 1800 cc is £360 in the 1982/83 financial year. For cars with smaller engines the scale is £270 and cars with bigger engines costing less than £11,500 have a scale rate of £540. Cars with an

expensive cars than this £1,260. This scale applies to all more than £8,500.

These rates are reduced by business mileage-a level quantified as 18,000 miles a year with effect from April 6 1981. At the same time a cut-off was laid down for insubstantial business mileage. If the car is driven less than 2,500 miles a year for business the scale rate is increased by 50 per cent Where the car is not available for a period, more than 30 days in the year, the scale rates are reduced proportionately.

Moreover in the coming financial year free petrol benefits are to be taxed for the first time. The Chancellor warned at the time of the 1979 Revenue consultative paper that the provision of free petrol was a rapidly growing practice and that if it did not Budget he announced that the

In fact the rates announced equate exactly to those used for estimating the benefit of having

between £11,561 and £17,300 is no distinction made for cars have a rate of £780 and more, which are four years old or more, nor for cars worth more than £11,500. The halving of the scala applies where there is substantial business use, as does the proportional reduction for, a period, However, there is no increase in the rate where there is insubstantial business use. These provisions do not apply to petrol used in an

> in kind legislation applies. the tax was collected. add the value of the benefit to

car, where the normal benefit

from employers and accord ingly, the Government with abate be would take steps to ingly the Government withdrew tax it. So it came as little the proposal two months ago, surprise when in the 1981 stating that it would entend the relevant legislation in the lat practice was still gaining in est Finance Act. So the Inland popularity and accordingly free Revenue will continue to open petrol would be taxed on the ste by taking account of benefits in determining employee.

David Freud

COMPANY **PROFILE**

MANN EGERTON Vehicle Contracts, a wholly owned subsidiary of Mann Egerton, itself part of the Incheape group, is a contract hire company formed in 1980 which offers fixed-term leasing, or contract hire, over one, two or three

Vehirles are available with or without maintenance and MEVC pays special attention to smaller fleets, running up to 50 cars, in addition to with operating several hundred vehicles.

Its pre-delivery inspection control points are in London and Norwich and its accredited service network has 4,500 service outlets.
Mitchel, manag-

one of the leading in car rental and the belief that demand will

The company said: "The recession appears to have flattened out at last. The trend is upwards and we are doing better than seemed possible a few months ago." One of the factors which

contributed to problems last year was a fall in tourist

Vanxhall

Mann Egerton

ing director of MEVC said the company had two primary objectives — specialisation and service. "With a precise. target market we are able to tailor our service market more accurately than our competi-

Recent trends, he said, were for three year agreements, thus customers get the benefits of a longer fixed rate while the company is able to get residual values of vehicles down to more manageable levels. Some 200 used cars are sold by MEVG every month at its two disposal points, in

key to success in the contract hire business. Two or three years ago most of its got our sums wrong. The extent is which we got them wrong will determine to a large extent the competitive stance of

"A lot of people are wait ing for the recovery. I do not think there; will be any dramatic recovery in 1982 ased car, market has now bottomed out," he says,

MEVC. which operates observed my marked trend towards costomers moving down in car size. The bulk of representatives it supplies still run Cortinas.

Lisa Wood

COMPANIV PROFILE

vehicle leasing, is undertaking a £20m investment programme in new vehicles in return to more huoyant levels

per cent in July and 14 per cent in August—but Avis is acquiring 200 Ford Flestas, Cortinas and Granadas in anti-cipation of a strong upturn. Next month it takes

delivery of a number of Cavaliers, and believes it has laid the ground for growth with the estab-lishment of 12 new outlets. It has also introduced a rail drive network at 40 stations, hased on an advance booking

Moves by Avis to improve vehicle services include, the introduction of Bental Express, to cut down walting time caused by paperwork, and the removal of resurcharge on cars taken abroad. If has also introduced new unlimited mileage rates on cars booked for more than three days, while special lower rates are offered on vehicles reuted for more than

Mr Brian Dix, director of marketing, said: "An exciting development for 1982 is that from April 1 we are becoming the exclusively preferred car rental contractor worldwide for British Air-

Last year proved difficult, however, for Avis's truck operations, but the company nevertheless experienced an increase in contract hire busi-ness. "As a result of the

ic situation. Industry turned increasingly to to

periods," Avis said. Costquers were glad to be able to page on the responsi-bility for new Government, and European Community regulations, such as tachograph and type approvals, to the lessor rather than persouthly spending time sorting

them out Off car leasing, Mr Ron Wil-liams, Aviet marketing man-ager, said. Any remaining stigma of being an industry disappeared. Leasing is able is be seen more clearly for its own general benefits."

He believed that finance leasing was losing ground and that there was a continuing trend towards the specialist car leasing company. Our car fleet grew each month in 1981 and will grow faster this year.

Lorne Barling

Ask Camden Motor Rentals for a 'Tailor Made' leasing package



Fur companies like yours, the pros and cons of car leasing comes down very much on the side of the 'pros'. But perhaps one of the most important factors in these days of high interest. xatea is this: Leasing releases vital working capital.

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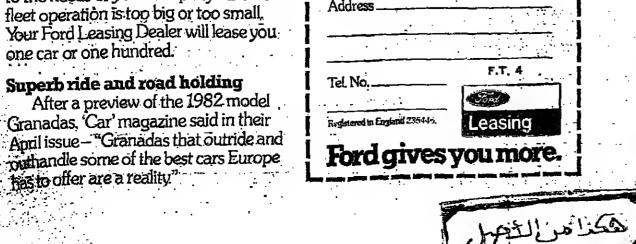
But sheer size alone is nothing to shout about if it isn't backed up by genuine, personal service. It is in this area where we score particularly high marks.

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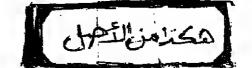
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Mercedes and BMWs!





The company car: more of a tool, less of a perk

THE COMPANY CAR, which in the Sixties and Seventies began to be almost as appendix a part of the mistie management packers as the of the staff dinling room. It now something more prised and more grudgingly given.

Authority the market has moved death all round for a variety of reasons his essential to differentiate between at least three tries of company passenger par use. There are cars without which business would be insectable that salesmen, maintenants personnel, police and sorbel wafters, there are the garages send personnel, police and sorbel wafters, there are the garages and there are the basic feet cars which are available for heavy private ase, and there are the basic feet cars which sit (if not well managed) in the company car part for accasional use by a large number of amployees.

It is this last sector, the cor-

a large munder of employees.

It is this last sector, the corporate car pool which has come under the greatest pressure over the past few years. It has been the major larget area of the came time, been an obvious area for attack by cost-cutting boants.

With car capital investment

so high interest rates so burdensome; and maintenance problems so difficult to over-come fewer and fewer comseem willing to bave automobile hardware standing around in the car park.

The car rental groups have found it relatively easy to kill off the car pool, particularly now that most of the blgger ones have car guarantee schemes for regular customers. They themselves offer the same facilities as the company pool without the problems which the managers of the single figure, intermittently used fleet faceeven down to who cleans the

ash trays.

Today the argument against company poel cars grows con-stantly stronger. The rental groups are cutting each other's throats at the moment in the campaign for corporate business, so that increasingly managements are taking the view that it is better someone else's financial blood than their own.

mally accepted British use of be extending the working life the work is a somewhat different kettle of fish. Here the ing off the evil day of facing arguments in savent and the control of the savent and the control of the control o The company car in the norarguments in favour of them. tend to have as much to do renewal price. with psychology and taxation as | The one good aspect of all the provision of transport. The this, and one which is helping

use of company cars is a deeply fleet managers in their attempts ingrained part of the UK mao- to stretch the working lives of

vate car users, teod to buy domestic models.

The private motorist may find this affection for home-made models strenge but it is usually due to sound commercial reasons—in Britain at least home-made cars tend, say the fleet operators, to be cheaper to maintain and have a higher retained resale value.

Home produced

The psychological element of course, comes into the picture more where there is a reward element in the provision of a car but still the indications are that fleet managers prefer to . A sophisticated large car can see home-produced steering usually be expected to lose wheels in the hands of their executives.

The real heartland of the fleet car market is, of conrse, the bread and butter business of salesmen, the car rental companies themselves, Government departments and the thousands of other people for whom the car is neither whim nor perk, but en essential tool of the job. For managers in this field life has become decidedly more

complicated over the last five years. Costs have escalated, the gap between car purchase prices and eventual sales price has widened, interest rates soared and corporate treasurers are looking with s much meaner eye upon the activities of such money-spending areas as travel and transportation.

It is difficult to say which is the most crucial of these factors, but there is little doubt that the sheer price of cars is proving a major burden for companies. A fleet of 500 vehicles represents an investment of around £3m, even if the choice has been made at the lower end of the price scale. It is hardly surprising that more and more companies appear to the gap between sale and

ingrained part of the UK maoagement system, encouraged by
most Governments until this
present one and owing its existence partly to the perceived
need for keeping 2 good market
for British cars.

Fleet managers unlike priTate car users took to have to stretch the working lives or
the vehicles, is that cars are
increasingly more reliable. The
machine that once could be
expected to give perpetual
trouble after a year or 20,000
miles, can now be expected to
go on for much longer, provided it is carefully maintained. vided it is carefully maintained.

Nonetheless secondhand car sluggish to ssy the least and the fleet manager rapidly finds that it is no longer simply a matter of finding a discount price for his new vehicles: be has at the same time to ensure a favourable sale, or any sale at all, for the car he is trying to get rid of.

It is hardly surprising there-

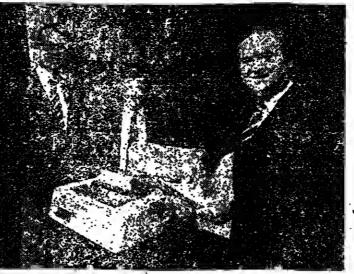
fore that in the larger fleets there seems also to be an increasing trend towards smaller cars and to conventional carsboth being at the more popular end of the secondhand market.

usually be expected to lose value more quickly than one which may be bought, secondhand, by a family and possibly even serviced at home for the rest of its life.

Only a few years ago it was rare fleet manager who had relatively narrow. Moneyparticular staff.

companies today want to see their lives made less complicated, and less expensive, than they have been in the past. So that unless there is a remarkable and rapid turneround in world economics the present trends are likely to continue.

of cars are under inspection by bard-pressed boardrooms the car rental groups are turning their attention more and more to that market too-Britain's Swan National launched its all-Jaguar fleet this month. The writing may not be on the wall for the company car, but it is increasingly less of the icing on the employment cake and more and more a bread and butter



Mr Chris Kelly, managing director of Hertz (UK), and Mr Richard Kirkman, vice-president and general manager, and Mr John Hambly, sales and marketing director, both of Hertz Europe, with a print-out from Hertz's booking system which was computerised in Europe this month ...

COMPANY PROFILE

DESPITE the recession and the ever increasing competition in the car hire and leasing markets 1981 was a relatively good year in Europe for Hertz, the U.S.-owned multinational.

Hertz Europe, including the UK operation, achieved a 30 per cent increase in revenue and a 10 per cent volume increase during the year. Detailed figures for the UK operation are not yet evailable but Hertz say they are in line with the general European performance.

One area, commercial vehicle contract hire, proved unprofitable because of the "suicidally low tariffs" charged by vehicle rental competitors.

In December, Wincanton Vehicle Rentals, part of the Unigete group and one of

Hertz

Britain's fastest growing specialist transport groups. took over Hertz UK's commercial vehicle contract hire

This was the second time in less than five years that Hertz had sold this part of its business. The fleet was sold to Godfrey Davis, the vehicle hire and rental group, in 1978 but a year later Hertz began trading in contract hire again.

The largest aspect of Hertz's activity in the UK remains its car hire although Hertz, a subsidiary of the RCA Corporation, is the largest retailer of secondhand

cars in the world. Over the last three years the structure of car fleets has changed with greater emphasis on smaller, more economic cars, although there is still great interest in chauffeur-driven luxury cars.

Tariffs were brought down by Hertz last summer, at the height of the season's car rental battle, but the company was the first of the big rental companies in this country— which include Avis, Europcar and Swan—to increase prices during December.

However, Hertz says its tariffs are more competitive with the introduction, in line with U.S. policy, of unlimited mileage after two days. And more efficient with the introduction of a computerised booking and check-out

Last year Hertz opened 14 branches in the UK, bringing the total to more than 80, after cutting back branches in the mid 1970s.

Wider choice in ways of financing fleets

any company considering how

This is the reason car leasing took off between 1976 and 1979.

Singe then the tax rules have

been more or less equalised

and companies once again bave

a wider effective choice on how

they finance fleet purchases.

This can range from ontright

purchase to bire purchase or leasing. And of course there

leasing. And of course there are a variety of ways to fund an outright purchase — either

through raising money in a

issuing debentures or even rais-

Commercial vehicles now have considerably more favour-

able tax treatment than cars,

with 100 per cent first year

obtained for business hire.)

items could be purchased "off-balance-sheet." Neither the

capital allowances attached to

allowance

wben

ing fresh capital.

loan-short or long,

to get involved in all this. Secondhand cars bed a ready market and the price gap was even at 10-12 per cent-would in today's terms bave been considered cheap. In those times the fleet owner could afford to indulge the occasional whim of There is little doubt that

Now that even the glossiest

SWAN NATIONAL car-yan rental

A COUPLE of years 2go there appears on the balance sheet, was one obvious solution for so a company can appear less cars—leasing. Not only was leasing a way of berrowing counted on since an exposure money over a period, but the different tax rules on leasing. different tax rules on leasing a accounting hodies, which procar or buying it outright were poses that leased equipment is heavily weighted in favour of put back on to the balance sheet.

Assets

About 70 per cent of all new cars are purchased outright by companies and the vast majority are still self-financed with leasing and contract hire accountiog for somewhat less than 20 per cent. This is a small proportion in comparison with the U.S. where up to 80 per cent of company fleets are non self-

which after 1972 allowed buyers of assets to claim 100 per cent treated in the same way as relief in the year of purchase. Businesses such as banks, which would not normally buy anything like sufficient assets to them, whether they are bought match profits for their own use. Eam in 1976, the ELA figure outright or leased. (However, soon began to buy assets and rose to £468m in 1979. Since cars still qualify for the 100 pass them over for the use of then it has come down rapidly par cent allowance when manufacturers and others again, as the Government through a leasing agreement.

One of the original attraction In practice this mean right of leasing was that capital investment incentive In practice this meant the shared, through the rates, Arthur Sandles balance-sheet." Neither the between the lessor who was right only deferring his tax liability until fact took gent liability of paying rental be has to pay tax on his rental and 1980.

finance further leasing deals)

The growth rate for all leased assets is indicated by the figures of the Equipment Leasing Associatioo, whose membership is dominated by the big banks and which claims to account for up to 90 per cent of the market. In 1971 ELA leasing was £159m; by 1980 it totalled £2.4bn.

Within this total there has been a steady rise in the lessing of commercial vehicles. In 1977 the figure was £114m, rising to £267m in 1980.

Car leasing was originally slower to get off the ground. financed. The way was cleared by two
The popularity of leasing has
been based on the tax system, missioners for taxation in 1975. which ruled that cars could be other equipment. Combined with looser credit controls intro-duced in July 1977, this allowed car leasing to take off. From £6m in 1976, the ELA figure again, as the Government aimed at removing the anomaly whereby a leased car enjoyed a 100 per cent first year capital allowance and one bought outright only 25 per cent. This in fact took two Budgets-in 1979

cars could still effectively obtain and the lessee for whom the a first year allowance higher has enough taxable capacity of rental would be much less than than 25 per cent in leasing its own along with good speciating outright.

The country are to be a first year allowance higher has enough taxable capacity of the period of the p possibility. So it was no coincidence that ELA car leasing tively stable over a number of business fell to £343m in 1980, years. the latest year for which figures are available.

Tax treatment

The main outstanding area in which there is different tax treatment between leasing and purchase concerns cars costing more than £8,000. Above this level capital allowances available for outright purchasers tend to be more restricted than allowable rental payments by

With this exception, however, there is very little difference in terms of tax treatment between leasing and, for instance, hire purchase. So it is not surprising that the different forms of financing have tended to merge in this area and throw off many hybrids in the last couple of years, given the innovative nature of the industry.

Among the povel hybrids are lease purchase, while opera-tional leasing has been gaining io popularity, in which the lessor provides a full manage-

Nevertheless, if a company assets which obtained a 100 per cent allowance. However, the 1980 Finance Act killed this cashiflow, especially where the level of business has been rela-

> A bank is the first place companies turn to for outside finance. But, while an overdraft is suitable for short-term debt, it may not be the best option for an investment with a life of perhaps five years or more. So banks may direct customers to-

> wards term loans more directly linked to the life of the assets ecquired. A quoted company can try to raise espital directly from share-bolders by way of a rights issue. More acceptable, perhaps, will be the issue of loan stock convertible into equity after a period of years. This is a way in which companies can prevent debt dragging down their capi-tal gearing beyond a definite

period. However, recent issues of this type have not been sparkling successes. Nevertheless, it seems more likely that this de-vice will be used than that dehentures, a traditional form of debt financing that has been out of favour for a decade, will make a major comehack.

D. F.

was so impressed by the new Cavalier, I bought 700? TONY GRIMSHAW, DEPUTY MANAGING DIRECTOR, SWAN NATIONAL CARRENTAL

"We're now Britain's No.1 company in business carrental.

One of the reasons is that we're the most competitive on rates. So when we

Andwhen I checked the fuel figures, Twas even more impressed, 294 mpg around town, and 463 mpg at 56 mph from the 1600S. That's going to appeal to our customers too. And so is the power.

The 1600S pushes out 90 hp, which compares favourably with many two litre cars. But what finally convinced me were some of the less glamorous features about the car.

Features that we have to pay close attention to if we're to continue running a successful operation.

Like we can replace the clutch in just 65 minutes because although the new Cavalier is front wheel drive, we don't have to extract the engine 15 mins. to change a shock absorber.

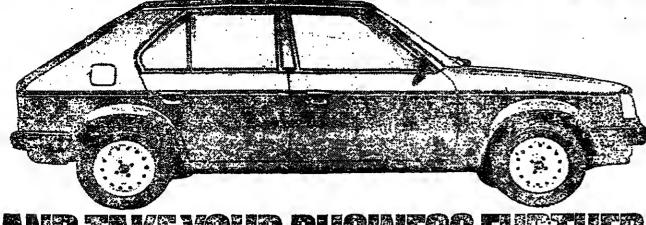
We never need to adjust the tappets. Just one hour to replace a front wing. And so on. Vauxhall have really thought this carout beautifully from the operator's point of view.

What could I do? Immediately I put down an order for 260. And our customers were so delighted with the cars that I've now ordered 440 more.

So if you'd like to rent a new Cavalier for a few days, just give me a ring on 01-995 9242"

THE ALL-NEW CAY

look at new cars, we have to cast a very professional eve on them. Vauxhall invited me to check out the new Cavaliers, and I loved them on sight They're stylish and very well specified. The new hatchback is exceptional, and the saloon has got this incredible. 18 cu.ft. boot I know my customers will like the look of them as much as I did. WRO 104X



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Cash flows more efficiently wasteful capital investment is eliminated and you may even gain valuable tax concessions.

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Figures quoted exclude road fund licends and are cased a 3 year lease term with an initial 3 months advance reptal of 2299.88 followed by 33 equal payments of 299.96 commencing one month after delivery. One final remet of \$2,050.32 is required on completion of the contract (this amount is deligated to come spend to the expected resale value of the vehicle). VAT is applicable wall rantal payments.



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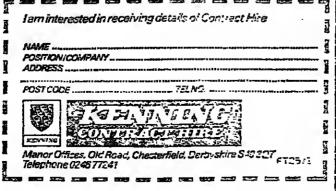
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VEHICLE FLEET MANAGEMENT IV

BL chases Ford's lead in UK car fleets

VOLVO Concessionaires, the can understand his customers' business problems.

Lex Group subsidary which imports the Swedish built cars, has the unusual policy of actually discouraging sales to fleets.

This requires an investment in time and money as well as trainlog. While Ford, like all other UK-hased manufacturers, the can understand his customers' business problems.

Any purchase of 10 cars or more hy one company must have the approval of a Concession-aires director. "We are not in the business of supplying 200 or 300 cars to any company, says Dr Jim Maxmin, the managing director.

The reasoning is logical. Volvo has been tremendously successful—and profitable—in recem years by growing steadily but slowly, allowing time for the dealers to "grow" along with the business which last year reached a record 3 per cent of the car market in unit

One of Volvo's main strengths is that its cars do not depreciate as fast as some of its rivals. Steady growth helps the company control the flow of used cars to the market and keeps up residual values.

Despite its aversion to sales to hig fleets, most of Volvo's hig cars are sold to business users, often owners of small businesses. There are the occasional supplies to big fleetsthe Avis car hire company has 100 Volvos in Britain.

All the car companies operating in Britain make attempts to capture some business-user sales because the company car element in vehicle registrations in the UK is such a large one.

When it comes to big fleet business, two elements seem

essential: a large dealer net-work and a broad range of cars. Ford, for example, has about 1,200 dealers and reckons this puts every customer within five miles of one of its retail out-

At the same time the company suggests its range has cars suitable for everyone in any corporation who needs one-from the trainee sales rep to the chairman. You can put the rep on the road io a Fiesta Popular while the big boss has to make do with a Granada Ghia 2.8i.

It is no wonder Ford dominates the car fleet business in Britain. Six out of every ten of the 459,365 cars it sold in Britzin last year went to major ficet customers, defined by the group as those with more than

This did not happen over-night Ford spent many years carefully building up its fleet sales, recognising there is more to success in this sector than simply baving a big dealer network

The group is keen to ensure that all its dealers are trained to cope with fleet businesswhich is very different from dealing with private customers. To sell to a corporation the salesman needs to be a specialist capable of selling in a business-industrial environment who

Heron

Heron Fleets and Leasing, part of the Heron Motor group is one of the smaller

competitors in the crowded car leasing market, but is adopting a more aggressive

sales approach this year in an

effort to increase its share. According to Mrs Jean

Denton, the newly-appointed managing director of the com-pany, it is likely to acquire

about 2,000 new vehicles in

the coming year and foresees

increased demand for high

specification, mid-range cars. She believes that the diffi-

cult conditions experienced last year in the corporate

sector are now easing with

companies having made most of the cost reductions and redundancies they believe necessary. Now they are

necessary. Now they are facing up to vehicle requirements for the next few years.

ing their emoloyees to work harder, they cannot expect

them to drive around in old

cars," she said, adding that one of the options now worth

"If companies are expect-

leave its dealers to handle the formalities of any sale, it tries to provide the right price structure and value-for-money fea-tures for its cars. In this context the group invites a num-ber of fleet managers to get involved when any new pro-duct is on the way.

BL reckons it is the one company in a position to dent Ford's position in the fleet market—to start with the group still bas 1,700 dealers.

By 1984-85 BL should have on the road the LC11, the medium-sized saloon designed to compete head-on in that part of the market currently domin-ated by Ford's Cortina.

In the meantime some of the policies BL is following to strengthen its fleet operations have a Ford-like quality. Perbaps that is because two years ago the group drafted in Mr Brian Mahooy from Ford and he is now BL's fleet sales director.

Mr Mahony set up five regional fleet sales-and-service offices, each under its own mao-ager. Sales and service were merged. He insists this enables to respond much more kly. "Fleet operators now quickly. "Fleet operators now know whn to speak to in BL about company cars.

Low cost

The group made between 200 and 300 presentations last year emphasise the positive changes made to BL's car range and the claimed low cost of operating BL vehicles - Mr Mahony suggests a major fleet can save £500,000 to £1m a year on running costs.

This effort was backed up by 6.000 meetings, face-to-face, between BL fleet representatives and individual operators plus 2,000 extra meetings about service matters.

Fleet managers are kept up to date about BL operations via quarterly bulletins.

The BL dealers have also been reminded in training sessions that in the UK the company car predominates and that it is vital they should know how in sell cars to companies.

The dealers are encouraged to improve used-car values by better use of second-hand car sites, used-car reconditioning, and merchandising.

All this activity seems to have had the desired effect as far as BL is concerned because its share of company car sales last year jumped from 15.4 per cent to 19 per cent. The group made some significant "captures" taking a Granada TV Rental contract from Vauxball and Visionhire from Ford. General Motors last

fits can be derived from contract hire, leasing, lease purchase or gverall fleet management

Moreover, increased numbers of veoicles will be made available for trial periods, allowing customers to evaluate fully their performance in the field and their suitability for particular pur-

Mrs Dentnn believes that there is also a future for LPG-powered cars for fleet operators, since costs are now well below those of compar-able petrol-engined vebleles and are likely to become even lower in future. For this reason Heron is examining the possibility of meeting increas-ing demand for these.

"Regular communications with our customers is the hasis of our policy so they can decide and inform us about their needs," she said, adding that Heron is aware of the pressures on corporate restrain spending. _

She admits that Heron, like the rest of the industry, had a difficult time during the early part of last year, partly due to staff reductions in industry which meant that spare cars were available for new employees and demand was therefore reduced. The company also has

experienced difficulty in its

considering was complete fleet replacement. "We will hand over a cheque for existtractor and farm equipment ing vehicles which a company can use for other more pressleasing, but this is showing signs of improvement. "People ing purposes." she said, are now learning to live with the high cost of money and demand is picking np all Heroo also intend to step up its volume of information to poteotial customers, allowround." log them to evaluate for L. B. themselves exactly what bene-

pumped over £100m into Vaux hall to recapitalise the business and preserve for itself a British presence even if Vauxhall is now more of an assembly opera-tion than a full manufacturer.

The new director of market ing passenger cars, Vauxhall, is an Australian, Mr John Bagsbaw, and he aims to take GM's snare of the UK market to 16 per cent by 1985. For this the group will need between 900 and 1,100 dealers.

Currently Vauxhall has 650 dealers and its sister company Opel of West Germany 230. As part of the programme these dealer networks are being merged in Britain Significantly when GM launched its "J" car last year (the replacement in Britain for the Cavaher), there was no Opel version for the UK just models with Vauxhall

Mr Bagshaw has been recruit mg experienced fleet field staff to "speak to operators in the own language." Vauxhall has speeded up deliveries to the fleets, and the service back-up by establishing a "bot-line" facility.

Talbot UK is in a somewhat similar position to Vauxhall. It has a UK manufacturing presence, but again it is mainly an assembler of Continental car kits since the Linwood car plant in Scotland was closed last year.

Its French parent, Peugeot, decided over a year agn to merge the Peugeot and Talbot dealerships in Europe. In Britain Talbot, which traces its antecedents to the nld Rootes Group, absorbed the Peugeot operations. Talbot has about 600 dealers and Peugeot about

Among the traditional importers from the Continent, Renault is the company which needs to do well with its fleet business if it is to achieve its long-term targets in Britain.

The arrival in the UK of the Renault R9, a traditional carwith-boot, made with Japanesetype efficiency, should provide a boost this year. While Renault has only 480 dealers in Britain it bas been picking up "service points" and claims fleets can get service from 740 outlets.

Perhaps the most significent event in the fleet market this year will be the run-out of the old Cortina which is not only the fleet's favourite car but, as result, Britain's too.

Cortina will re replaced at the end of the year by the Sierra, by all accounts a drama tically different vehicle al-though one which will still have the engine driving the rear wheels. Ford says there are good

engineering reasons for staying with rear-wheel drive in this size of car when all its rivals (including GM. BL and Datson) are switching to front-wheeldrive.

The rivals suggest that Ford simply could not affind the extra cost of switching to frontwheel-drive.

However, Europe in general and the UK in particular have always accepted a mixture of front and rearr-wheel drive models and there is no reasons to believe Britain will follow the U.S. to front-wheel-drive for all cars of Cortina size.

Kenneth Gooding

COMPANY PROFILE

Swan **National**

Swan National Group, which operates a fieet of 7,000 vehicles rented on a daily basis and 5,000 leased, hetieves it has now fully over-come the problems which come the problems which resulted from the severe downturn in UK business in 1980 and looks forward to progressively better demand this year.

Mr Freddy Aldous, managing director of the company, said that the industry as a whole had suffered from over-capacity and rapid deprecia-tion of vehicle values during 1980, and spent much of last year tightening up its opera-

This had been particularly evident in the short-term rental market, where costs increased most rapidly, and some of the difficulties were still evident in leasing, where the turnover of cars was about every two years.

According to Mr Aldous, Swan experienced a slight growth in business last year, in line with the overall market, but achieved a breakthrough in airport locations by becoming established at Heathrow and Edinburgh airports, in addition to its existing presence at Prestwick and

New arrival

Moreover, the company has also won the concession at Glasgow airport. "This is really significant for us since we are the only new arrival at airports in the past 10 years," Mr Aldous said

Around two-thirds of Swan's business is now provided by corporate customers, and it has recently introduced a card system which allows executives to rent cars without any paperwork to delay the trans-

The major growth area is seen by Swan as contract hire, since new car prices have outstripped the inflation rate in the past year and companies are not inclined to use valuable capital resources if they can avoid doing so through leasing arrangements.

The cost of replacing car fleets, now often above the film mark, has come as a shock to many boards, Mr Aldons believes, since the decision may have been deferred for a time due to the recession and depreciation has been high. Although only about 10 per cent of Swan's business is in commercial vehicles, there have been signs of improvement in demand during the past few months after a difficult period.

In an effort to exploit the London luxury-car market, Swan is making a fleet of 20 Jaguars available soon from a location in Westminster, and it believes this number will double by the end of the

year in response to demand. This service is aimed largely at the company customer, and Jaguars have been chosen to compete against the many foreign luxury cars offered in London because Mr Aldous believes they offer the best combination of status. ride and luxury available for the price.

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民族の意味

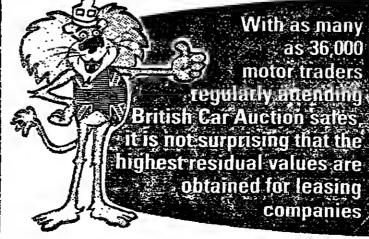


offers manufacturers and associated trade a new and purpose-built facility for fleet promotions, product launches, dealer promotions.

Covered arena, conference lounge, full on-site catering facilities, parkland international race circuit, museum halls, ALL AVAILABLE FOR HIRE.

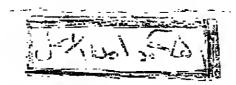
Ideally situated in the heart of the country, four miles from the M1 (Junction 24), next door to East Midlands Airport, and with Nottingham, Derby and Leicester close at hand.

Donington Park Racing Ltd, Castle Donington, Derby DE7 5RP. Tel: Derby (0332) 810048 Telex: 377793 Managing Director: R. N. Fearnall



More and more leasing companies are joining the ranks of the 3000 famous British companies (including most of The Times 'Top Hundred') who use the BCA service for profitably selling their surplus fleet vehicles through BČA's nationwide auction centres. For details contact John Sanderson on Famham (0252) 711222





Computer-based routeing comes of age

Route scheduring by embruter is coming of age. It is just 21 years since the resembles.
Clarke and Wright of the Coop set out the first scheduling algorithms the sets of rules which define how a particular problem can be solved in a finite number of stems.

steps.
Setting computers to salve tha problems once the algorithms had been constructed was difficult enough. For it involved massive sets of mathematical operations. The real difficulties, however, and the ones which gave computer scheduling a pour image for years, came when the systems designers, had to take account of all that physical and buman detail involved in route planning. involved in route planning.

Unless, for example, the computer has a detailed road map embedded in its memory, it will simply choose the shortest distance between two points, and think nothing of

directing a driver to travel between, say, Cardiff and Bristol across the Severn And the programmer has to take acrount of special local conditions or lorries will roll up to supermarkets loaded with perishables only to find it is early closing day.

By a brutel combination of hard work and trial and error.

these problems have gradually been solved and at least a dozen companies are now offering computer software packages which fulfil the basic requirements of

The best known are probably Routemaster from Analytical Systems, DIPS from Freight Computer Services, Data-freight from British Road Services, Transit from Synergy Logistics, Vanplan from Scieon and Paragon from

Pactel. a package ealled VSPX; KL offers Pathmaster, but it is an application where the small company has as much chance of success as the giant ecording to Mr Adrian

Williams of Pactel's management science division, an effective scheduling package effective scheduling package first needs a computer coded road network in its memory.

—liferally a gazetteer of all the important roads in the country with distances "links" between sets of junctions—and second, a detailed inventory of apecial factors for each customer and area.

Ultimate aim

There are, however, very few day - to - day scheduling systems in operation. This is the ultimate aim of computer-based route scheduling. It assumes that the company already has a computer-based order processing system; data from order pro-cessing is fed directly to the scheduling package which creates all the necessary

documentation for loading and delivery, and also produces management reports. It does not need a large com pnter. Pactel's package which costs about £35,000 will run on a PD11/03 nne nf Digital Equipment's smaller minis and prodoce 50 routes in

about 20 minutes. A large machine, such as an ICL 2960, could do the same job in three or four minutes. Each company has its own approach to scheduling philosophy. Pathmastar, the ICL offering, uses Post Office postcodes to identify delivery and collection locations, for

system of load measurement is then set up-weight, volume or standard unit, depending on the customer's outliness, and details of the customers' fleet are read into the system. This would include running coats and load capacity for each type of wabicle.

The customer's bistoric opera-tions are used as the basis to create a network of preferred routes. The package can then be used to analyse a real situation, presenting what it reckons to be the best route on a television-style visual display termical. The scheduler can accept the ronte or look at alternatives, possibly even to the extent of rearranging the schedule.

Routemaster from Analytical

COMPANY

Budget

Budget Rent-a-Car, American - owned company which was established in Britain in 1966, has grown fast in recent years, largely through the growth of its franchise network and com-

The company operates exclusively in the rental market and does not offer leasing or contract hire, but serves

industry by supplying rented cars to leasing companies when their vehicles are off

Around 70 per cent of the

000 vehicles operated hy

remaining 30 per cent are vans and light trucks, a sector of the market which is now showing some signs of

improvement as industry needs to fill the gaps in vehicle fleets as demand

Budget, owned by the

Transamerica Corporation, is claimed to be the world's

third largest rental company,

and certainly benefits in the

UK from its strength abroad,

as visiting businessmen are familiar with the name and

often have credit facilities.

Franchise operators in the

UK also benefit from the

company's name and organi-sational resources, since they

are able to draw customers

from a much wider area than they would as independent

car-hire concerns in pro-vincial areas. Budget now

has 110 franchises throughout

the company, thereby re-

ducing overheads whi

vehicle fleets as

petitive pricing.

over 10 years and has a long list of blue chip customers, including Heineken in Holland where it is used to plot daily deliveries of heer and soft drinks from five deputs, Nestlé in Switzerland, where it is used for strategic planning studies for different nperating emmpanies, and Allied Broweries in the UK.

The distinguishing feature of the package according to Analytical Systems is a "look ahead" procedure in the Routemaster algorithm; when the calculations of the most affective route are being made, aeveral links are selected at sach point and the effect of making each one analysed by the look-ahead procedure.

Scheduling packages can be provided either as turnkey systems, where the entire computer and package, is installed on the customer's premises by the manufacturer: Scicon'a Vanplan. for example, can be provided on a Hewlett Packard 3000 computer costing just over

Alternatively, the whole service can be provided on a burean basis. This might seem appropriate for a company anxious to run a scheduling programme once a week or so to tune up its deliveries or change its strategy, but an interactive termical on the premises is essential for daily scheduling.

Datafreight, run by Tempo Services, is a gond example. And Freight Computer Services, the computer services arm of the National Freight Company, offers its DIPS package through a desk top terminal in the customer company connected in the FCS mainframe computer in Birmingham. DIPS is claimed to enable transport managers to review for themselves their fleet size, depot and ware-house locations, vehicle size, delivery access times and so

Desk top

The growing power and popularity of the smaller computers—costing typically between £20,000 and £100,000 bas opeoed new possibilities for monitoring fleet perform-ance, an activity which bas achieved new importance with rising costs of fuel and service.

Last year, for example, FCS io troduced Microdrive. a costs and performance manitaring system running on most microcomputers. The cost, including the micro itself, is around £7,000; it provides total vehicle cost analysis including maintenance, fuel, tyres, standing charges and so on According to FCS an

nperator with over 20 trucks would find Microdrive cost

Timesharing for British Rnad Allied Breweries Computer Analysis System (ABCAS), marketed through DCMS of Bristal, puts the power of the minicomputer behind the touchy subject of vehicle maintenance costs.

The system runs nn a Digicn computer, a small but very powerful UK-built mini. It-provides information on nperatiog and maintenance costs, vehicle comparisons, maintenance analysis and individual and vehicle group costs. According to DCMS:
"A pattern of garage operations is established, undesirable trends in the control of the company of the co unscheduled work

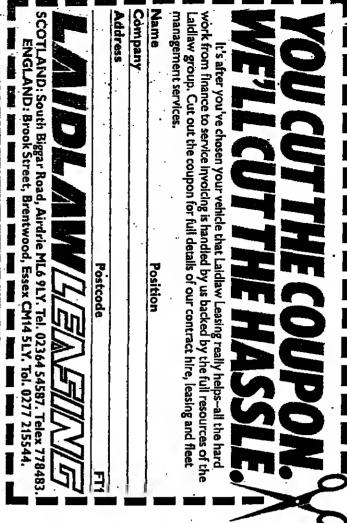
highlighted." Company data departments have been aware of the truth of that for years.

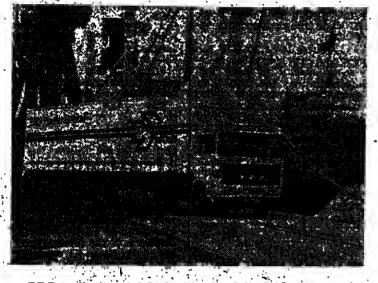
detected and repetitive work nn specific components is

Moving the computer into new areas like transport brings the threat of repeating all the old mistakes, Rnuteing systems which ask drivers to turn a 20 ft lorry around in a 12 ft one-way street are the evidence of that.

But the benefits are tangible: and the range of computer companies taking these problems nn bnard bodes well for the computer in transport.

Alan Cane





BRS trailer rental is just part of its wide range of activities, 40 per cent of which is concentrated in contract hire

COMPANY PROFILE

alege Tgʻ

Britain's largest contract hire company, has wide transport industry interests which allow it to offer a range of services covering most aspects of any company's movement storage of goods.

BRS is perhaps best known as a supplier of large fleets to well known companies such as Cadbury Schweppes and British Sugar, but perhaps surprisingly-the average num ber of vehicles on contract hire to each of its customers

is less than five.
This indicates that while BRS is able to offer sophisticated contract hire sche larger concerns, it is also able to cater for many customers operating only one of its vehicles, which range in size from small wans to 32 ton

tractor units and trailers. In many cases BRS is called in by companies operating large transport fleets and asked to find-out whether a contract hire scheme will be cheaper and more effective than existing methods. This is sometimes taken further, with consultancy advice being sought on overall warehousing and movement of goods. BRS actively seeks to tailor its contracts to the require-

ments of customers, some-times to the extent of 2 com-

puter link enabling informa-tion to be fed directly to BRS

on vehicle requirements.

The company believes that
its structure—regional companies dealing with particular areas -enables it to specialise in the industrial requirements. of each since those of the West Country, for example, -are quite different from those of the West Midlands.

Last year the company experienced only average de-mand, but there was considerable improvement in the flux! quarter, particularly in contract hire. An increasing number of companies are seeking advice from BRS on how to hold down overall transport

A study of this kind often involves BRS in looking at a customer's overall distribution system to pinpoint in-efficiencies and bottlenecks which BRS will undertake to climinate if it is asked to manage, the company's movement

About 40 per cent of BRS's business is in contract hire, while the remaining 60 per cent covers a wide range of activities such as general haulage and distribution, consultancy, truck and trailer rental and the design and con-struction of special facilities.

Although industry has suffered during the recession BRS believes some benefits have emerged through the rationalisation of transport fleets, and that companies will save money in future as a result of becoming more cost operations'

the country, with the operator providing his own vehicles to a standard set by

Franchising

Mr Ian Gamage, marketing director of Budget, pointed out that the five largest rental companies in the UK now control about 30 per cent of the total market, with the rest held by smaller concerns all over the country. This can be

Franchising also protected Budget from the worst of the down-turn experienced in 1980, but it nevertheless suffered considerably as recession-bit companies cut back on incidental costs such as ear rental and van hire.

Around 60 per ent of the company's business is attributed to corporate fleet opera-tors, with the remainder coming from "distress users." people needing replacement cars, tourism and business

Mr Gamage said that while this demand was always the first to suffer during a recession, it was the first to return and there were now distinct signs of demand improving. although at a slow rate. He predicted that this pattern would continue this year.

benefiting directly from higher demand for leased ercial vehicles, this was filtering through as a result of the need for short-term

There has also been in-creased demand for rentals from companies which are faced with the need to meet esed volumes of orders but have not yet decided how to replace or increase their existing fleets, following a period of relative idleness,



TONNES OF TL TURBOS FROM BEDFORD.

All Bedford TL models are now available with turbocharged diesel engines. From the smallest TL, at 5.7 tonnes GVW to the largest, at 19,3 tonnes GCW. The benefits of turbo.

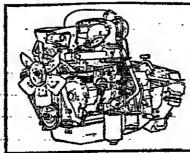
Obviously, all truck operators know all about the advontages of furbocharging. More power. More economy. Less noise. Turbos are also preferred by drivers. There's nothing particularly new about turbochorging. What is new, however, is the unrivolled range of turbo-powered trucks offered by Bedford's TL range. Red Series turbos.

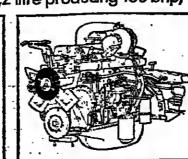
The Red Series 3,6 litre turbo engine used in the lower GVW TLs is one of the smollest turbo diesels in Britain.

Most engines of this size simply do not have the necessary strength for turbocharging. The Bedford Red Series 3,6 litre not only takes it without a murmur, it revels in it. Producing a healthy 72,3 bhp. It's a similar story on our 107,3 bhp 5,4 litre six-cylinder Red Series Turbo.

Blue Series turbos.

Heavier TL models are fitted with one of two Blue Series turbo engines. An 8,2 litre producing 130 bhp,





or on uprated version producing 173 bhp.

These engines ore strong, durable and offer easy servicing and maintenance-features inherited from the TM 4-48,2/205TD Blue Series Turbos which proved more than a match for the strenuous military fest programme.

The TL truck you need.

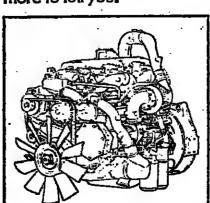
The Bedford TL ronge gives you a comprehensive choice of middleweight trucks, designed for your requirements. Now with turbos avoilable throughout the range, your choice of engines is widened to suit your particulor operation.

Each of these engines is also available in naturally aspirated form.

Whether your trucks are used for local delivery work or long-distance houlage, there's a Bedford TL Turbo for you.

Hove a word with your Bedford Truck Dealer today. He has tonnes

more to tell you.



Engine	Power Output	Torque
3,6	72,35hp	160,6lbf.ft
litre	ct	at
turbo	2600rpm	1600rpm
5,4	107,3bhp	252,8lbf.ft
litre	ct	at
turbo	2600rpm	1200rpm
8,2	130bhp	322lbf,ft
litre	at	at
turbo	2650rpm	1200rpm
8,2	173,15hp	408,6lbf.ft
litre	at	at
turbo	2500rpm	1600rpm

Installed performance to BS AU 1410.





CUTCUTCUT...

Most directors with responsibility for finence and funding will here been involved in expenditure budget cuts over recent & months in an attempt to conserve valuable cash resources.

If you have a commercial vehicle distribution fleet, or a 5-to 500 2 If you have a commercial vehicle distribution fleet, or a 5-to 500 car fleet we can show you naw ways to ease your cash flow, keep the bank manager out of your life, probably reduce your fleet operating costs between 10% and 20%, and give you some could save you a lot both in terms of time and money. Alternatively, complete and send me this coupon and we will a sold you anough information-to show you some of the ways in which we can easiet in controlling cash acconditure. in which we can assist in controlling cash expenditure.

To - Mr. G M Cobley, F.I.C.M., Managing Director 2 Fleet Management Services Ltd St. Julian's Friers, Shrewsbury, Shropshire, SY1 1XP

Telephone: 0743 - 241121 Pleasa tell us how you can help us to conserve cash flows by using your fleat management expertise.

From - Name ... Company

ב מוי כתו כתו כתו כתו כתו כתו בתו בתו כתו

ABREATH OFFRESHAIR, FROM LOTUS.



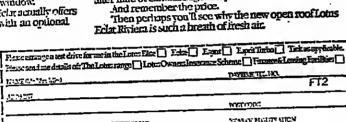
Don't worr: We haven't really inced the Edia 22. Unlike other manufacturers, we hasen't found that back seat passengers enjoy being crushed. Or decided it was the end of the road for impressive

We still don't consider an acceleration of 0+0 in just 7.1 seconds simply too much too soon. And it's okar. The top speed of 132 up in still stands. Don't run away with the idea we've

spoilt the Louis Lelan's unforgetable acrodynamic profile and race bred handling characteristics either. In fact, nothing that makes more expensive cars seem poor excuses has been thrown out of the window. Because, for the first time, the Lotus Eclar actually offers

you summtous Louis comfort, complete with an optional deschable Riviera roof section.

Exclusivity comes as standard. Exercisador despendentes establementes en esperantes de la companya de la company



whole years.
What, you could reason, could covershadow all this exclusivity?

Everstation and this exclusivity

But just imagine the sun on your head. Pictore the clear
blue sky overhead. Think of gliding effordessly through mile

cellence, you may regard this

engine run-in. And every chassis

ealthrough as rather unimportant. Consider for example, the fact that ery single Lotus car has been built.

be our own fair hands. That every gearbox has been beach tested. Every

ranteed against corresion for 5

Trend still favours fleet management by an agency

FLEET MANAGEMENT by an contract hire the customer buys external agency is continuing to a fixed period contract (for prove affractive to companies one, two or three years) while running an optimum of 25 cars with the fleet management or more after traditional package the customer, in return or more after traditional methods of cutting company costs have been investigated.

The concept of vehicle fleet management by an agency originated in America and it therefore comes as no surprise that the market in the UK is dominated by two U.S. sub-sidiaries of the PHH Group and the Gelco International Corpora-tion — as well as the Ford Motor Company, which offers the service to UK customers through FACTS (Ford Analysis through FACTS (Ford Analysis of Car Transport Statistics).

Fleet management in the U.S. grew out of contract hire in the 1950s where, at the time. contract bire was the only alternative to ownership. In the U.S. the situation has changed dramatically, with over 80 per cent of fleets which are not self-managed being under external fleet management schemes and contract hire

enjoying 15 per cent. While in the UK fleet management is making inroads into contract hire the market is much more unexploited on the Continent, where Gelco. for example, describes its market as "emhryonic."

Gelco started its UK operation in 1972 as its stepping stone into Europe. In 1974 most fleet operation was still cootract bire while today contract hire (Auto Contract Gelco) is a subsidiary of the main fleet man-agement business offering both full and non-maintenance facilities and the ratio of con-tract hire to fleet management is 1:3.

for a fee, pays only the actual costs. These are related to the true cost borne by individual

"We, through operating both contract hire and fleet management, can advise a potential customer as to which we think would be more advisable for

growth in the business slowed down to some 10 to 15 per cent, reflecting the general state of the market.
Gelco so far has concentrated

vehicles.

on cars and light commercial vehicles but the potential for fleet management of beavier commercial vehicles is being investigated.

Some 20,000 vehicles are bandled by Gelco in the UK. Worldwide the company handles some 550,000 units of transportation including cars, trucks, trailers and containers.

Gelco is reluctant to give figures on how much saving can be achieved per mile with fleet management—units of 1p per mile savings are often menmue savings are often men-tioned by external agencies. Savings, said Mr Rowe, obvi-ously depended on the efficiency of the internal operation.

One advantage for companies calling in an external agency such as Gelco, he said, was that it was often easier to downgrade models of cars if it had been suggested by a fleet management specialist.

Fleet management agencies Mr Ivor Rowe, managing such as Gelco claim supply prob-director of Gelco, said: "On lems from manufacturers with

European rationalisation of car purchases—has introduced a plants. Mr Rowe said: "If a charge card for service maintecustomer rang us and wanted 5,000 cars within a month we could supply. But if this were broken down into the specific most popular fleet models we could take several months to obtain them from manufac-

In the U.S. Gelco bas access In the U.S. Gelco has access to manufacturers' computers so orders can be directly keyed into the systems of Ford, General Motors and Chrysler. This system, called DOES (Direct Order Entry System) is being discussed with manufacheing discussed with manufac-turers in the UK:

Print out

Gelco bas a network of 7,500 accredited service depots in the UK Repairs or maintenance cannot be started without a print-out from the Manchester beadquarters. This has caused in the past some friction from garages but according to Mr Rowe the problem has now been

solved.

Gelco also has a widespread disposal network and is thus able, it says, to control depreciation costs better.

If Rowe said the fact that Gelco was not in any way franchised meant it could offer any make or model of car—which might not be the case with fleet management/contract companies that were owned by a franchised dealer of a car manufacturer. manufacturer.

Information on the number of insurance and warranty claims on a vehicle can for example, prove the identity of a poor driver. At fleet level information is given, for example, on fuel consumption of different models and vehicles while in giving a general composite PHH Services, set up in the U.S. in 1946, also came to this country in 1972. It operates some 18,500 vehicles with around 230 clients. In the current...economic ._circumstances, said the company, performance bad been good but there had been no dramatic growth in

In the last 12 months PHHmance with "national" fleet stawhich has operated an All Star Petrol Card for clients for some time, available for fuel and oil

Godfrey **Davis**

nance and repairs. Garages, however—as in the case of those

working on Gelco cars—have to receive full authorisation for

work. Such checking back enables the fleet management

company to examine the indi-vidual record of each vehicle and query irregularities if they

PHH is in the process of ex

tending its operations to the Continent, with West Germany

probably the first area opera-

tion.

Of the fleet managed some 85 per cent is leased by clients. PHH said there was still continued interest in leasing. On average PHH would expect to save "at least". In per mile for the typical chent.

Ford's FACTS is a specialised.

Ford's FACTS is a specialised

management service offered to

customers who together operate some 60,000 vehicles. It offers a

similar service to the external

similar service to the cashad agencies, using a computer to analyse information, with specialists buying fleets at dis-count, re-invoicing them to cus-tomers, paying all maintenance

invoices and analysing costs. In the past 12 months Ford bas

introduced an in-house com-puter, previously using a com-puter burean. This, says Ford, bas made information more up-

At vehicle level FACIS can-provide a customer with a main-tenance history of each car. Information on the number of

giving a general composite report FACTS enables a company to compare its fleet perfor-

appear.

Europear

COMPANY PROFILE

Gedfrey Davis (Car Hire) by Europear, the Renault subsidiary, gave European aircady the largest European car rental company—the biggest car rental business in the UK. The new company is also the largest non-U.S. car rental

the largest non-O.S. car return company in the world.

The merger, which took 16 months to complete because of investigation by the Mone of polies Commission, was the hreakthrough European had

been striving for since R a entered the UK car market in 1974.

in 1974.

With the Godfrey Davis 1 takeover, Europear says it has locations at more than 120 airports and more than 1,000 coffices in Europe, Africa and the Middle East. It operates in more than 60 countries of territories with a remain fleet of more than 40,000 whicles. In the UK Godfrey Davis Europear (GDE) has 255 branches, an increase of 40 on the combined total outlots of the two prior to the merger and retains the Godfrey Davis rail drive contract—which may be investigated by the 5 may be investigated by the hamman be investigated by the hamman h Europear had about 20-2 branches in the UK with me-b

access to the important Heatle is row Airport market.
The new organisation of retains the replacement care scheme with General Acci-dent Insurance. Most important for the old Godfrey Davis; a is that the merger made it air? the U.S. it has swaming we arrangements with National according to Car Renfal and in Canada. with Tilden, the largest carhire company in the country hire company in the country however, in the international car hire business the company faces strong competition from Hertz, the largest international car hire erganisation.

national car hire erganisation. III.

GDE is heavily wooling the ref.

UK travel trade-offering a

20 per cent hasic boins which in

can go up to 30 per cent

although tariffs generally

went up by per cent on

January 4 after being held—in

like so many in this housing up January 4 after being held—

for a long period.
The merger has resulted in fer a long period. a massive investment in new a massive investment of cars go: for the next summer season slightly increased to just, under 8,000.

Kenning

which has wide interests in 23; the motor industry saide from 16; rental and leasing opera 12; tions, has a strategy of trying ut to provide its customers with the to their requirements, rather i than push them into par-

Mr Brian Wells, sales to director for the group, points out that Kenning has a wide range of resources which are enables the company to carry out virtually all the work involved in contract hire incompanies may be have to sub-contract.

This enables Kenning to maintain strict control over all aspects of a contract and eliminate middlemen whose additional charges would otherwise have to be pass

on to the customer.

Mr Wells suggests that while some companies may prefer to go for a complete contract hire package, based on a computerised system which identifies mitt costs. others may have their own computer capacity and management expertise which allow, a modified contract hire deal to be drawn up.

Mr. Wells believes most reasonably organised companies have the ability to participate in the running a contract hire scheme, and sometimes felt happier with some element of control

periods a fiect of around 11,000 cars light commercial vehicles and a small amount at of heavy fracks, and like in other companies has been of recovering from the serious downturn in business of according and the periods of the serious of the ser experienced in 1980.

Kenning has pursued 4 margins during the past 18 months, although this was difficult at times with other companies cutting rates and the protor industry offering a wide range of discounts of a new vehicles.

Mr Wells is optimistic that prefitzbility and demand will improve this year, but like the others he is cautions. One of encouraging sign is the in the crease in inquiries from local contribution who are disting as to contract hire as

L. B.



Isn't it time you contacted Royal Mail Parcels?

The price of fuel. Deliveries far from your regular routes. Part-loaded vehicles. Return-empty journeys. Small consignments that call for many individual drops. Vans and drivers idle between peaks in Contract holders can the work-load. post larger and heavier These problems and lots more build up

to a burden that grows day by day. A burden the Royal Mail can probably

lighten for you.

By offloading your problem deliveries to our unique range of local, regional and national parcel services, you could rationalise your schedules, iron-out fluctuating work-loads, minimise return-empty journeys, improve load factors all-round. You'll find us fast, reliable—and keen to come to terms with you.

To help you make up your mind, we

Royal Mail Parcels We mean business

have commissioned two studies by independent experts. The first, 'Own Vehicle Fleet Costs versus Carriers' Prices: the second, 'Costing the Delivery of Small

Consignments: Copies of both are free-with the compliments of the Royal Mail. Send for them NOW. It's the first step to

getting rocketing fleet costs under control. Ring parcels (up to 22½ kg), FREEFONE 2325 or return the coupon NOW!

I Ple	ONDONECZBEL case ask one of you ase send me free co	mp required), 22/25 Finsbury Square, Q. r marketing team to contact me [] mics of "Own vehicle fleet cost versus carrier to Delivery of Small Consignments" [] to contact about Royal Mail panel services []	· ·
Licas	Name	Position	_
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	Company		7
	Address	·	_
and the second	A J.J.		

controversial aspect of the The Government responded with proposals to inrease the weight of lorries by quarter to 40 tonnes gross laden weight, to build by passes and to tighten up on some of the environmentally sensitive issues affecting lorries. Few environ-mental groups, however, were satisfied and continued controversy is expected in Parliament when the regulations to raise the weights are laid before the

Whatever the merits of

UK freight led by the lorry

THE OPERATION of commercial vehicle fleets was bigger business in 1980 than it had ever previously been in Britain, according to the latest available amost all the 100,000 industrial premises. government figures.

By value, Britain's 1.76rr goods vehicles licensed for commercial operations in 1980 carried goods worth a record £16.7bn. Rail, in contrast, carried goods worth £606m in the same year. The recession last year will certainly have dented some of these figures, but hy how much is difficult to estimate this early in the new Even with a substantial drop

in business, however — and haulage associations have put the drop in business at between 15 per cent and 20 per cent fleets of commercial vehicles will have continued to dominate overwhelmingly the movement of freight hy all methods in Britain. The 1980 figures show the

streogth of this domination. Lorries of all sizes accounted for 77.6 per cent of the movement of all goods in Britain, measured in terms of tonne-kilometres.

The growth in the importance of road transport to Britain's freight activities has been reflected in the doubling of the number of goods vehicles on Britain's roads, to 1.76m over the 30 years to 1980 — a period when lorry weights were also raised resulting in an increase of more than 100 per cent the total carrying capacity. In terms of weight, road

transport accounted for an even greater proportion of the total goods lifted. In 1980, 82 per cent of the total weight of 1.676bn tonnes of goods lifted by all

tonnes of goods ented by all modes went by lorry.

The controversial Armitage report on "Lorries, people and the environment" appeared just over a year ago, but it is still the most contentious document ever published in Britain on the role of the lorry and its place in the lives of people. The re-port provided a catalogue of examples to show that "we are. now overwhelmingly economically dependent on the lorry."

The lorry, according to Sir
Arthur Armitage and his team

of assessors in their report, "in some form or another, is here to stay in the foreseeable future. They also accepted, however, that a price had been paid in the effect lorries have had on people and their environ-This proved to be the most

COMPANY **PROFILE**

savings at £150m. The road freight industry, bowever, is already taking steps to become more efficient and to adapt to the changes forced on it by the markets it serves:

and more than half a million

Higher legal forry weights, is

is argued by the proponents, will

bring economic benefits. The

Government put the total annual

shops in Britain.

At a conference of fleet operators last autumn, Mr Peter Thompson, the chief executive and deputy chairman of the soon to be de-nationalised National Freight Company (the largest haulage operator in Britain), said that the important issue for the future was to ensure that vehicles did not repeat the in-

efficient practices of the past.

More good

A table produced by the NFC for the Foster inquiry into road haulage operators licensing showed that as the permitted size and weight of vehicles bad increased, fewer lornies were used to carry more goods, but each lorry was used relatively less efficiently in comparison with its total carrying capacity. Almost all the main categories of fleet lorry illustrate the point that hauliers and other operators of lorries bave failed

to maximise the potential efficiency of their lorries. Lorries over 28 tonnes gross laden weight, for example, were used 17.9 per cent less efficiently in 1979, when British haulage companies and indus-trial operators had 106,400 lorries in this category, than in 1973 when they bad only 44,800 of the same size locries.

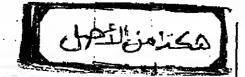
The measure of efficiency used by the company in its paper prepared for the Foster inquity was tonne-kilometres per capacity tonnes, in other words the proportion of the available capacity of the lorry that was actually used.

· Most of the other categorie also showed a substantial drop in the utilisation of the lorry. This identification of in-

efficiencies in the operation of existing heavy lorries, however is unlikely to deflect the Government from its course of planning to allow the introduc tion of even heavier lorries.

Hauhers, and other fleet operators will certainly have to take good account of how well they use their heavier forries. These vehicles will cost substantially more in terms of capital and operating costs and only constant monitoring of operat ing margins and vehicle efficiencies will allow the operators to gain the full efficiencies possible with the

VEHICLE FLEET MANAGEMENT VII



COMPANY PROFILE

Wincanton

THE TRANSPORT operations of the Wincapton Group, part of the giant Unigate daily, meat and non-foods group, have become one of the few have become one of the few success stories in the competitive field of road transport in the early 1980s.

The Wincanton Group as a whole showed lower, but indisclosed profits in the year to March 1981, compared with the previous 12-months. Set against this, however, was the performance of the transport subsidiaries of the Wincanton Group.

These subsidiaries include

Wincanton Transport, where profits, again undislosed by Unigate, improved in the last financial year compared with the year to the end of March 1980. Wincanton Vehicle Rentals, another subsidiary. Rentals, another subsidiary, maintained its profit margins in the face of rising competition from the expanding truck rental sector.

Similarly, Wincautum Garages showed "acceptable profits" across its business sector according to Mr John Charages the Chairman of

Clement, the chairman of Unigate This subsidiary includes Wincanton Contracts, which specialises in contract hire and rental of cars, and Giltspur Motor Industries, an isition in the last finan-

cial year. In the commercial vehicle sector, the Wincanton Vehicle Rentals subsidiary has one of the fastest recent growth records of any company in

The vehicle rentals com-nany has been opening new depots and garage branches at a rate few, if any, truck rental companies in Britain could hope to match over the past few, years. Depots have been opened at Dewsbury, Manchester, Derby, Acton and Darlaston, where the company has spent £3m building and equipping one of the most up to date depots fur-serving the fleet hire masket. Wincanton has at its disposal a fleet of 3,500 commercial vehicles and 4,500 cars for rental and contract hire.

This scale of investment,

which started in a big way nnly in 1979, together with that involved in the spate of new depot openings in recent months, bas been achieved-only through ready access to a substantial source of investment funds.

These funds became available when Unigate, the parent. company of Wincanton Trans-port and it subsidiaries, sold its 15 milk creameries to the state owned Milk Marketing Board for £87m in 1979. In 1980 Unigate also sold

activities it had overseas. One result of all this money for potential investment is empleys 3,500 people and has 162 maintenance depots in Britain serving the Uniquie: subsidiaries and providing road transport services for

utside customers. Mr. Peter Hemmingham. managing director of Wincan-ton Vehicle Rentals, is confident that this year will see further substantial and rapid growth in the company's business. Revenue could increase by 50 per cent if the company's marketing plans bear fruit, especially in the contract hire, truck rental and chilled distribution sectors Up to 1,000 extra commercial vehicles are to be provided to compete in the market place. Established operators can expect to lose business as the soundly based

sion continues.

"December is a traditionally good month for truck rental, but last December (1981) could not have been more buoyant," Mr Hemming-ham said recensive. "People would rather rent vehicles on short-term contracts than commit capital while they dn not have full confidence in the L. McL.

Wincanton Transport expan-

THE Ford Cortina has been top dog in the UK fleet car market and in the overall UK market for sn long that its-presence at the head of the list of 10 best sellers has come to be taken almost for stanted

almost for granted. The process was repeated last year. Almost 160,000 were sold more than one in ten of all new cars. Ford scored a hat trick with the Escort placed in second and Fiesta third. The Escort was nearly 20,000 units behind, hawever, and the Fiesta nearly 50,000.

The direct rivels in the madium-sized Cartina offered by nther manufacturers, in relative terms, got bute more than a

BL'a Morris Ital, like the Corbl a Morris Ital, like the Cortina facelifted over the years but never to the same extent, sold at a rate of less than nnethird that of the Cortina; under 49,000. Vauxhall's Cavaller managed about 34,000 whereas Talbot's Solara and Alpine hatchbacks models between them only managed about 27,000.

In the past few months, how ever, the Cortina has begun to look vulnerable. Not from any single quarter, but from aeveral simultaneously.

The situation changed in he space of a month towards the end of last year. Vauxhall launched its new front-wheel drive Cavalier—the European version of the General Mntors "world" J-car—to considerable critical acclaim from the specialist motoring press. And bard on its heels, to equal enthusiasm.

the Cortina from its pedesal thirstier Cortina.

overnight. BL bas set a target. The other, lesser threat—but of 3 per cent of the total mar-ket for the Acclaim: a three-box receding as helts have tightened saloon, but with just nne engine specification—of 1.3 litres—and originally conceived

Dolomites than fleet managers (an attitude which has since

competitor to the Cortina. It has yet, indeed is unlikely to, acquire the engina capacity spread of the Cortina—the 1.3 and 1.6 litre units available now may eventually be expanded up-wards to 2 litres while the Cortina ranga runs from 1.3 to 2.3 litres. But it closely matches the Cortina in equivalent price ranges and, as might be expected of a new engine series and design, performs better and is more economical.
One of the nther threats to

the Cortina is internal. The past year nr so has seen a marked trend by companies. under the pressures of reces-sion, towards smaller, mora fuel efficient cars. The effect on the Cortina has not been too dramatic, because sales last ta the Escort at the bottom end of the range have been nifset at the top by a shift down from Ford's largest car, the Granada, sales of which bave slumped from 52,000 in 1979 to 25,000 last year.

But the Escort, thanks to the image-boosting presence of more luxurious and sporting BL's joint car with Honda, he versions such as the Ghia and Triumph. Accidim, followed XR3 models is coming to be regarded less and less in the company rep'a eyes, of a demo-Neither car is about to topple tion from the larger and

Rapid growth of contract hire

panies operating trucks on The usual period of a con-their own account. tract hira management is

ort! operations. Application of the scheme, as operated by the growing number of fleet service companies with by the growing number of fleet service companies with specialist contract hire arrange ments, can have the effect of releasing capital. This rapital In all cases, however, the could otherwise be tied up in company which supplies the the conventional outright purvehicle also takes responsibility chase of commercial vehicles.

specialist haulage companies and industrial users of trans-port. No longer do operators

onset of the recession. Decline

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Talk of the recession bottoming out has had little effect on demand for commercial vehicles. Last year output of commercial vehicles dropped to down on the 1980 production, and the lowest figure since 1949.

In contrast to this spectacular decline in total commercial production, the specialist contract hire sector has bucked the trend in ownership of new vehicles. Some of the leading contract hire com-panies in this field report "exceptionally good" husiness for motiva," tractor" units, the powered cabs seen pulling container-size loads or flat-bed

The simplest form of contract hire involves the hiring of a vehicle or a fleet of vehicles for

THE CONTRACT hire of com- a period of time agreed between mercial vehicles has become the contract hire fleet owner the most rapid area of growth and the customer, an industrial in the road freight transport company or a haulage operator sector, with benefits for haulage, seeking extra transport capacity operators and industrial com- at short notice.

Contract hire costs are borne between six months and about out of day-to-day revenue from five years. This arrangement can be varied, bowever, to pro-vide the customer with more than just the vehicle. The most

The continued effects of the the truck or light van. Responsislump in demand for industrial. bility for meeting the statutory and consumer goods on the road operator's licence requirements freight transport sector have rests with the company which concentrated the minds of supplies the driver. supplies the driver.

In these simplest forms of contract hire, the customer can expect to benefit in two main port. No longer do operators expect to beneat in two main and companies have the confi-ways. First, the customer has dence to buy commercial no capital to find; the vehicle, vehicles outright in the same often brand new, is supplied numbers as they did before the and paid for out of the revenue earned by tha vehicle. The cost to the customer is limited to regular and steady payments, usually once a month, and this can be an aid to tight control of costs and operating margins. The second benefit arises from the first. The lack of a requirement for capital for the 230,100 vehicles, 41 per cent use of the vehicle or fleet of down on the 1980 production, vehicles release this capital for other, perhaps more pres-sing needs in the customer's

> This second advantage bas led many: contract hire companies to develop the ultimate refinement of the contract hire concept, the developing management tool of "contract distribu-

Under this arrangement, wide range of the management tasks usually associated with road freight transport opera-tions is taken over by the company supplying the contract hire vehicle or fleet of vehicles.

This all-embracing approach to contract hire is growing rapidly in popularity. The con-tract hire company offers to take nver all aspects of a company's transport and distribution operation, including, in the ultimate form, the management of transport and the decision-making which goes into route planning for product distribu-

tion.
This form of contract distribution can involve the contract hire company buying the customer's existing transport fleet. This fleet may bave proved to be a financial burden in tha face of the slump in demand for the customer's products. With up to 15 per cent of the UK haulage fleet idle because nf the slump the customer'a fleet is almost certainly being under-used in the present rece sion. It is a drain nn company revenue and an asset that is not earning a return to cover its

Some of thesa financial probems disappear when a company agrees to sell its fleet of under nsed vehicles to the contract distribution fleet nperator. The sale of the transport assets would release potentially large sums of capital, for use in revitalising the customer's manufacturing operation and the signing of a comprehensive contract distribution agreement would pass all the transport the external to: specialist.

Fleet car sales: a hat trick for Ford

as appealing more in private buyers of defunct Triumph

changed). Vauxhall makes nn bones about the Cavalier being its

-is the practice hy which companies have offered their employees a price band within which they can choose a variety of cars. This had led to a considerable number of "traditional" imported cars (rather than "captive" imports of, say,

Chipping away

in the fleet sector.

German-built Fords) appearing

Yet such is the strength of Ford's position that the combined effect of all these developments is likely to be nnly a staady chipping away of sales during tha coming months. By then its rivals will be casting anxious eyes towards the UK motor show and what will finally emerge, after nearly 20 years, as the Cortina's successor.

If the Sierra, as it is expected to be called, dnes indeed look anything like the Probe III research vehicle Ford showed in Frankfurt last year — as some rumonrs suggest - it will be radically different from its predccessor, with a rounded, aero-dynamic shape, and with its 1.6 litre engine still driving the rear wheels (Ford says it believes that rear-wheel drive is still appropriate for a medium-sized car where the intrusion of a transmissinn tunnel is not so disadvantageous as in smaller vehicles).

The Cortina name itself is not expected to die, but to be passed on to an upcoming version of the Escort to be equipped with a full boot rather than

The Sierra will be launched just a few months before the first of the LM 10 range, on which BL is depending even more than the Metro for its revival, is due to appear. That will be a batchback, with engines expected to range from the 1.3 litre A-plus engine used, it should henefit considerably

developed version of the E series unit used in the Maxi and Allegro (both now out of production) and possibly the 1.7 and 2 litre 0 aeries engines. The hooted LC 11 model which will be the Cortina/Sierra's most direct rival, is due in 1984.

Further up the fleet range, competition is continuing to hot up. On January 20 Rover launched a revised range with considerable improvements — including a lengthened rear window to ease parking prob-lems — and, most significantly, a 2-litra model (using a tuned version of the O series engine). This was a major step, hecause of the 2-litre cut-off point established by many companies for less senior management.

It is shortly to be followed by the Amhassador, a much re-worked version of the Austin Princess which incorporates a third side window, a lnng-awaited hatchhack and even more streamlined front end.

Both BL models loom as major competitors to the more expensive versions of the Cortina and to the Granada which, despite drop in sales, remains the best-selling executive level car and which was the subject of a £50m improvement programme towards the end of last year.

The past year has also seen Talbot's entry in the executive car field maka its appearance, the Tagora. While it bas heen generally well received by the motoring press, it has yet to make a serious impact in the executive fleets, however. Sales were just under 1,000 in 1981. although it was not introduced until the middle of the year.

Talhot's bopes for reviving its market share, which has slid to under 5 per cent, must now, therefore rest on its smaller models. A 40 per cent improvement in its UK plants' productivity bas led to the assembling of the Horizon hatchback model in the UK as of last month, and the Metro, through a from the Samba, its new,

French-built Metro competitor for which a constant 56 mph fuel consumption of nver 60 miles per gallon is claimed.

The small hatchback field is also heing vigorously ploughed by Vauxhall, which has recently started assembling the Astra, furmerly imported from West Germany where it is sold as the Opel Kadett. The demarca-tion line hetween small-sized and the traditional medium fleet saloon became further blurred at the start of January when a 1.6-litre version of the Astra was launched under £200 more than the 1.3-litre model and giving sports-type .110 mph performance.

All of this tends to make the task of traditional importers trying to break further into fleet markets that much more difficult. Nevertheless, Volkswagen, with its recently launched new Poln, says its "supermini" has already got 4,000 orders from

The stiffening competition has prompted a drive hy impor-ters to improve back-up services for company purchases. Alfa Romeo, in particular, bas just launched extended warranty schemes and a five-year anticorrosion guarantee aimed at improving residual values proved an inhibiting factor to fleet sales in the past.

Meanwhile, there is no real sign in the UK of the boom in diesel car sales being experienced clsewbere, particularly in the U.S. They still account for less than I per cent of registrations, and although Renault in particular has committed itself to a sales drive for its Renault 18 diesel models this year any real uplift is likely to come only if there is a further widening of the price advantage of diesel fuel. That is unlikely until such time as domestic manufacturers such as BL and Ford have their nwn units in production. Both bave them on the stocks.

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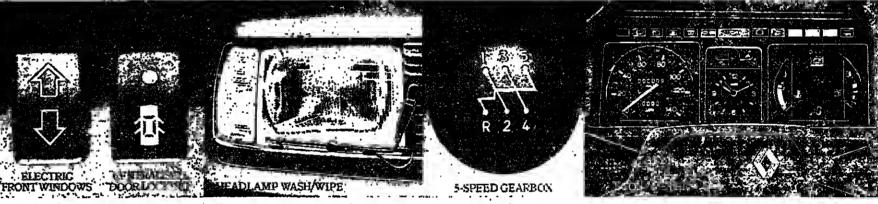
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Government Test Figures: Renault 18GTL: simulated urban cycle 32.5 mpg/8.7 litres per 100km, constant 56 mph 50.4 mpg/5.6 litres per 100km, constant 75 mph 37.7 mpg/7.5 litres per 100km. 1 Ford Fiesta 1.3GL: simulated urban cycle 31.4 mpg/9.0 litres per 100km, constant 56 mph 44.1 mpg/6.4 litres per 100km, constant 75 mph 33.6 mpg/8.4 litres per 100km.

VEHICLE FLEET MANAGEMENT VIII

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GOODS MOVED BY ROAD (hn.tenne-km)

TWO YEARS of harsh battering by the slamp in trade and the subsequent fall in demand for road haulage has left the haulage industry severely shaken, hut leaner: fewer vehicles are hidding for less business, and companies are sharply aware of the need for improved and more efficient services if they are to keep or win customers.

This is precisely the effect the Government has looked for scross the whole of industry. Road haulage, however, is one of the ultimate havens of free enterprise at work.

The industry owned 1.76m goods vehicles in 1980. These capital assets are expected, as elsewhere in industry, to justify their existence by producing profitable revenue for their masters in industry and in haulage contracting. Few did so in 1980 or 1981, however, and last year as many as 15 per cent of the total UK lorry fleet was laid up for lack of work.

The other side of the slump heen the drive for competitiveness. This has heen based on more cost-effective marketing, a greater use of computers for route network planning, delivery distribution scheduling and a greater will-ingness among hauliers to share information about "empty run-ning"—the wasteful, but often unavoidable practice among hauliers of delivering one way and returning without a

tion, which represents 15,000 or so, professional haulage contractors, has taken steps to generate interest among its memhers in potentially cost-saving ideas. In particular, the RHA has recently completed, in December the third the final trial of its "vehicle and traffic information service," aimed at improving communications hetween mem her haulage contractors:

A further noticeable effect of the recession has been the rise in the development of specialist haulage services aimed at taking the financial sting out of the acquisition of new vehicle fleets, without the need for outright purchase.

These services go under a number of names, ranging from hire purchase, leasing and ren-

tal of vehicles, to contract hire and contract distribution. The latter involves the acquisition by the specialist haulage opera-tor of the haulage fleets of industrial companies. The haulage contractor then "contract hires" a new, often smaller and own to carry. The own account operators. more efficient fleet back to the industrial company. The effect is to release capital tied up hy the industrial customer in an asset that is being under-used.

This strategy has been developed into a well-honed management tool most noticeably by the larger baulage companies - British Road Services and National Carriers in the state-owned National Freight Company—and by Wincanton Vehicle Rentals, Mitchell Cotts. Transport Services which offer contract hire, contract distribution and warehousing for in-dustrial customers.

In the trailer field, the haulage industry has been served for many years by TIP Trailer Rental of Watford and Trailerent of Staines and Rentco Nationwide of Hayes.

The ultimate target of the strategy by these specialist contract hire and contrast distribution companies is nothing less than the entire haulage activities of those companies in industry which operate their own lorry fleets on their own account.

freight transport in Road Britain is neatly divided hetween the so-called "public"

Not over

25 km

50 km

100 km

200 km

25 km

50 km

100 km

haulage and the "own account" contractors. Public haulage contractors are those comother people's goods for other people. Haulage contractors usually have no goods of their

on the other hand, are those companies, such as food manufacturers, component manufacturers and others which choose to carry their own pronamely the in-house fleet of ducis in their own, in-house fleets of van and lorries. These companies have traditionally regarded their own transport operations as overbeads to their main purpose in life: the making or processing of products and raw materials.

However, the true cost of these vehicle fleet overheads is often only discovered when the vehicles are lying idle through. lack of work because of the

Profit margins

Mr Brian Hayward, the group managing director of National Carriers, put the problem succinctly to distribution managers at a recent conference organised by the Centre for Physical Distribution Management, the offshoot of British Institute of Management. He recognised that many industrial companies had found that their own eccount transport operawere eroding profit margins. "In some cases, these transport operations'

Physical distribution costs account for between 18 to 20 per cent of the retail price of products, and the specialist sections of the road haulage industry are going all out to convince industry that these overhead costs can be cut by changing to contract distribu-tion. This is paid for sut-of revenue and capital is released as the transport assets are no longer owned by the industrial company.

actually endangering profits," he

This is the strategy of many of the specialist hanlage com panies as they seek new opportunities for business. Unfortu nately, the own account road transport sector appears to be holding its own and resisting any overwhelming advance by the road hautiers into their territory, at least up to 1980, according to the latest available government figures.

Road hauliers in the public haulage sector accounted for 61.2 per cent of the total movement of goods by road in 1980, when the total volume of traffic came to 93.2bn tonne-kilometres. The balance was accounted for by the own account companies. However, this slice of the total road trans port market was only 6.4 per cent up in favour of the hauliers compared with 1979 and, in retrospect, the 1980 share hy

hauliers was five percentage points less than in 1977. Nevertheless, specialist haul-iers insist that they made substantial inroads into the own account sector last year, although official figures are not yet available to verify these claims. A few of the larger companies, such as BRS and Wiscoutin however have a re-Wincanton, however, have succeeded in taking over a number of lorry fleet operations for major industrial companies.

Wincanton Vehicle Rentals had a particular success late last year when it took over the Hertz UK commercial vehicle contract hire fleer after Hertz decided for the second time to sell its commercial vehicle con-tract hire fleet. With the sale to Wincanton went fleet contracts with British Nuclear Fuels and Unicoyal Tyres

L. McL.

11.9 5.0 200 km 300 km 4.3 16.0 300 km 93.2 57.1 All distances

7.9

9.7

Mainly own

account

modes

10.1

15.2

23.6

GOODS MOVED BY ROAD-1980+

(bn :tonne-km)

Mainly public

hanlage

3.3

4.7

7.3

13.9

By length of haul and mode of working. Source: Transport Statistics Great Britain 1970-80, HMSO.

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المكنائمن المتعمل

THE compulsory fitting of tache- conventional schemes. This graphs, introduced amid con- section is based on a unit basis siderable controversy and much cost on January 1, has enabled insurers to assess the insurance risk and consequent rating of premiums for hauliers on a new basis. For many operators this will mean lower premiums -welcome news in these days of rising financial pressure

hecanse of the recession. The Scottish branch of leading insurance hrokers Hogg Rohinson—Hogg Robinson Scotland, have spent over a year devising a new scheme with the Geogral Accident Group based on a new rating method: mileage. The fitting of tachographs now enables an insurer accurately to assess the mileage covered each year hy all the vehicles in the fleet.

The new policy, known as the mileage policy, was introduced this month. The operator esti-mates the annual mileage in units of 1,000 miles expected to he covered by his fleet in the policy year. This will probably be based on past records. The insurance company assesses the risk and the cost of insurance based on this mileage figure. At the end of the year, the premium is adjusted-up or down-according to the mileage actually done by the fleet.

Rebate

Thus the haulier could receive up to a 20 per cent rebate on his insurance premiums, the maximum reduction under this contract, though the converse applies in that he could have to pay more because the mileage has exceeded that originally estimated. Hogg Robinson feel that operators will accept this feature.

The main criticism of the present method of rating based on the number of vehicles in the fleet-is that they are having to pay for insurance cover while lorries are laid up in their lorry parks, where the insurance risk is minimal. In the current recession this

is happening more and more and operators already under financial pressure do not like having to pay more in insurance than is necessary for the risks being incurred. The new policy effectively

relates the premium paid more closely to the risks being insured; much more closely than has been possible under the previous systems. But Hogg Rohinson has not stopped there. It has taken the

opportunity to offer a variety of options incorporated in the policy so that the operator can ments in one contract.

have all his insurance require-This incindes a good-in-transit section that Hogg Rohin-son claims will provide fleet owners with a greater degree of for the contents-with tainers covered for up to £5,000 agement teams that can advise each and overall cover—up to on safet £250,000 for any one vehicle and dents. film for any one occurrence.

Hogg Robinson reports a keen to put the new scheme together, it could be well into 1982 before similar scheme appears.

So other insurers will have to rely on the present methods of rating, hased on numbers of vehicles and he prepared to reduce the overall premium cost in order to compete.

This type of rating is, however, suitable mainly for lerge fleets where the costs of insurance has been somewhat related to the individual experience of the operator. Small fleets have always been rated on a system that is familiar to motorists, with the premiums charged being related to the make of lorry, the area of operation and other relevant factors.

Fleet operators will still be. looking at ways of saving costs on insurance and there are one or two hasic means of doing this. He can move more towards carrying the risk himself-what known as self-insurance. Under this system, the fleet operator insures for his legal requirements and carries the rest of the risks himself.

In theory an insurance company only pays out hetween 60p and 65p in claims for every £1 received in premiums, the rest being absorbed in costs and profit, if any. A large operator with a spread of risk should be able to save on administration by self-insuring. But in practice a series of accidents can prove very expensive. The other method of saving

on costs arises if the operator is prepared to carry the first part of any claim costs—technically known as excesses. Thus if the comprehensive insurance has an excess of £100m, then the operator pays the first £100 of any claim. With such an excess, the insurer is saved the bother and expense of handling small claims where unit costs are high, In return the operator has his premium rates reduced, usually saving more on the insurance than he spends on the accidents

With an excess the operator is insuring for the cost of replacing a vehicle should it be severely damaged, but not the cost of replacing a damaged wing mirror. But its effective ness of the excess depends on the level chosen.

cover compared with the present. In both these cases exper-

This advice from the insurance broker is essential. Most major hrokers have qualified risk man-

on safety and reducing acci-

The insurance of contents be-The policy can be extended to ing carried by lorries known insurance for huildings under as goods in transit—is often a the fire, special perils and separate insurance arrange-hurslary cover. ment Liloyd's syndicates tend to specialise in one type of ininterest heing shown by hauners in this new concept and expects of the hockers and insurers to operator needs to cover the loss follow its lead. But considering or damage to goods while being carried in his vehicles and the hockers and the hockers are taken by the company ing carried in his vehicles and the hockers are taken by the company ing carried in his vehicles and the hockers are taken by the company ing carried in his vehicles and the hockers are taken by the company in the hockers are taken by the company in the hockers and the hockers are taken by the company in the hockers and insurers to operator needs to cover the loss of the hockers are the hockers and the hockers are the hockers are the hockers and the hockers are the hockers and the hockers are the hockers are the hockers are the hockers and the hockers are the hockers are the hockers are the hockers and the hockers are the hockers and the hockers are the hockers and the hockers are the hockers towards the owner of those

> Theft is one major risk of goods in transit. The mid 1970s saw an alarming rise in such thefts and insurers have adopted much tougher attitudes towards operators.

> Insurers insist on overnight garaging or lorries being left in approved lorry parks. The warranty could he broken if lorries are left unattended and the insurance invalidated.

Eric Short

COMPANY

Salford

When Raffaello Bacci drives from Manchester to London be usually amuses himself by counting how many of his vehicles he sees on the motor. way during the three-hour

journey.

His record is 35, or about one every five minutes. Most of his vehicles are easy to spot they are bright arange spot: they are bright prange and have the words." Salford Van Hire" written all over the front, back and sides. There are 1,600 of them operating out of Manchester and Leeds, making his company the largest of its kind in northern Britain.

Mr. Bacci's is an impressive stary, having built his company from nothing in 1966 to an expected burnover, of

to an expected turnover of £6.5m in 1981 while will remaining its sole while will remaining its sole while will he did not mean to go into the van and truck hire busi-ness at all. Born in Lucca, near Pin

he came to Britain in 1985 at the age of 13 to live with his Palian grandfather. Fellon who had a lamps and statuettes factory in Salford.
Young Ramaelle picked up a Lancashire account and studied art at Salford Tech studied art at Saledon Feel-nical College to prepare for work in the family company. That might have been the end of the story had it had been for the company, annual seasonal surge in trade. We confirmed and enough vehicles for the rush, he seys We figured everyone else must have had the same problem so we bought two 5-cwt vans and two 18-cwt ones to hire out. We knew we could

use them ourselves if it did not work out, but we never had to. At the end of our first year we had a down vans and 12 months after that, 24." The hig growth came in the mid-1970s when Salford Van Hire went into hiring out heavy goods vehicles. Turn over moved from about 51m in 1971 to 12.5m in 1975 and then doubled to 55m in 1978. Recession halted growth in 1980 but things started look

1980 but things started looking up again last year.

The company's buying policy has been to mance yehicle purchases over only nine months, a factor that enabled it to weather recession confortably. This meant if owed little when renaincome slowed down as a result of party all customers. result of nearly all customers trading at lower levels them-

trading at lower levels themselves—if they carried on
trading at all—and needing to
hire fewer vehicles.

Mr Bacel's policycles to hire
out new or nearly new
vehicles. This interns selling
them after 15 af months of
use, usually after 30 40,000
miles. He says if makes
sense. He anything goes
wrong the customer never
blames the hire company if
it's a fairly new vehicle." it's a fairly new vehicle."

Mr Bacci is new looking to the contract market which accounts for about 26 per cent of present business to sustain further growth. He already provides the transport fleets for several

large companies, including a food company and a whisty bottler that are household names, and is negotiating with several others now.

Air Bacri says "We have it make a profit ourselves his the big benefit of counted hire which we offen is a fixed. price for a company's trais port for up to three years it means some very fight prining

policies but we expect to do very well out of it. Ian Hamilton Fazey

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EUROPEAN GLASS INDUSTRY

A cosy arrangement shatters

By Ian Rodger

A CLASH of Thems is inderway said. PPG, formerly Pittsburg in the European Fat glass in Plate Glass, also has a small dustry. - The beginning of instating operations this mouth by new-comer Guardian indinateles marks the final colleges of the cosy arrangements if the past, under which two French-companies divided in wish confinenpanies divided up most continen-tal markets with Bilkington Brothers had Britain pretty

Given the depressed state of most glass markets taday, a long and costly arrugale for market shares can be expected. Filking-ton's share of the UK market, for example, plunged from 80 per cent to less than two thirds in 1980 as the strength of the pound attracted intense competition from continental Europe and elsewhere.

The main cause of the current upheaval was the decision by France's BSN-Gervais Danone in 1979 to abandon the flat glass industry, thus putting a third of the industry's capacity up. for sale. Pilkington bought BSN's important German subsidiaries, then Asahi Glass of Japan picked up the loss making Belgian and Dutch plants and last month PPG Industries of the U.S. took over French

And whereas under the former Queensberry-like rules, glass with, at the same time, a BSN's, glass companies suck dramatic reduction in the mainly to their designated mar, number of workers needed to kets, the three newcomers feel make it. no such inhibitions. Pilkin

opportunity to strengthen our use of the float process spraad position in Europe," Mr. Frank, rapidly. The first effect of this,

Competitive conditions are being accentuated by the prospect of increased import penetration from currencyhungry East European countries and by Guardian's start-up last month in Luxembourg. Guardian barged into the flat glass business II years ago in Detreit and has stunned established producers with its rapid growth and high profits there. It is already the fourth largest producer in the U.S. with about a 13 per cent market. share, and European producers must be worrying about how successful it will be on this side

of the Atlantic.
Unlike Guardian, most glass. companies have very deep roots. La Compagnie de Saint-Gobain, the European industry leader, was formed more than 300 years ago to make the glass for the Palace of Versailles. William Pilkington started up the St Helens Crown Glass Company in 1826.

Pilkington's invention in 1958. of the float process, which consists of floating a continuous layer of molten glass on a bed of molten tin, permitted a spectacular improvement in optical quality and versatility of glass with, at the same time, a

Pilkington chose to adopt an "We see this as a strategic open licensing policy and so the Breeze senior vier-president of was that producers became PPG, the U.S. industry leader, burdened with large numbers of

		ines · ·	(tons p	acity er day)
1	early 1980	early 1982	early 1980	-early 1982
Saint-Gobain Pilkington	11.5 4)7.5 8	5,500 1,750 500	6,900 4,750
PPG Asahi Glass SIV (Italian Govt.)	oii 1.5	7 1.5	- nil	1,650 7,300 770
Luxguard BSN-Gervais Danone	กปี 7	l nil	กปี 4,150	508 nii

employees they did not need. lines in Europe are running at Initially, this problem was eased less than 80 per cent of because companies found they capacity, compared to a breakglass related to the high value If demand remains weak, all

customers placed on R. producers
However, the float process hurting turned flat glass into a commodity that could be produced as well by one manufacturer as another: Prices bad to come down to cost-related levels, a process that has probably been accelerated by the emergence of Guardian which does not share the hurden of traditional manning levels. Saint-Gobain cut its glassmaking staff by a third to 4,000 between 1978 and 1980. Pilkington bas shed more than 3,000 of its 20,000 UK workforce in the past two years. Guardian's Luxembourg float line is adding about 3 per cent

to European capacity. The com-

pany's executives argue that

this is too insignificant s

quantity to have much effect on

1977 figure. Vehicle production in Europe other producers. . But most float

even point of about 75 per cent. producers are going to be

More than balf of all flat glass produced goes into buildings, and the growth segment in the past few years has been double glazing for existing homes. The other major market is the motor industry. which normally takes about 20 per cent of output.

The double glazing market is said to be bolding up fairly well but competition bas become feroclous as the new housing market has faded. The number of new houses built in the EEC has dropped steadily for the past four years, last year's total being 20 per cent lower than the

peaked at about 12.5m units in

1979 and has since fallen some 11 per cent to an estimated industry's health depends on the building and motor 11.1m units last year. industries, and opinions vary Glass producers are shy about

revealing their price lists, but Saint Gobain says that the price of standard 4mm sheet is now the same as it was five years ago in real terms. In the meantime, prices of fuel and raw materials, which account for about half of production costs, have - soared.

M Xavier de Villepin, presi-dent of Saint-Gobain's fiaf glass division, says the company is barely breaking even in auto-motive glass and losing money on double glazing. Pilkington last month reported a £30.7m loss in its UK businesses in the first half of its year to March after a £12.5m loss in the UK in the whole of the previous

It is difficult to see any early relief from the current condi-tions. Indeed, they stand to be aggravated as more capacity comes on stream. PPG is building a 500-ton-perday float plant at Salerno in Italy which is scheduled to come on stream next year. As it is intended to replace old sheet glass capacity, at should not have much impact. But the same cannot be said with confidence about the three new float plants, two of which are still under construction, in

Exstern Europe.

Export possibilities have improved with the weakening of European currencies but producers expect the long term downward trend to continue as Third World countries develop

their own glassworks. long term the

significantly on the prospect for a return to strong growth The demand for housing is

there and wilt have to be satisfied in some manner," Mr Breeze of PPG said, "And there are aiways going to be auto-mobile producers in Europe."

Others doubt that the European motor industry will be able to maintain its market share in the future and if it does, it will have to buy more and more of its components, including glass, on an international basis. There was a possibility last year that one of the loss-making

Belgian glass plants of BSN's subsidiary. Glaverbel, would not attract a buyer and so would be shut down, thus easing the industry's overcapacity problem. But the takeover of Glaverbel by Asahi last spring chilled the blood of other European pro-ducers. Asahi, which has 50 per cent of the Japanese mar-ket, is as efficient as Guardian and eager to apply its skills to improving Glaverbel's competitive position in Europe. Significantly, it sees the Glaverbel acquisition as only a beachhead

in Europe. Of course, if demand suddenly picks up, the picture could change radically. But for the moment, overall demand is growing at only 1 per cent a year. And no one looks ready

to give up the battle. "We are all going to suffer more or less, depending on our efficiency," Mr de Villepin said.

'They really have been rather badly brought up

high on the subject of Guardian Industries, a small family glass fabricating business in Michigan that 11 years age dared to start making its

First, there was the question of paying to Pilkington Brothers a licence fee for using the floor process. Legend has it that Guardian had hired an engineer from another glass producer, and was capable of building a float line without any help from

cassion and negotiation period before we agreed to take out a licence," Mr Richard A. Griffin, Guardian's treasurer, admits. "And we had started construction before the discussions were completed."

Guardian then refused to pay any licence fee for its new plant in Luxembourg, the first float user ever to do so. Guardian maintains that t did not need a licence because it used its own production technology, but this

is contested by Pilkington.

"They really have been rather badly brought np," one European glass executive.

They have also been extremely successful. Turn-ever has grown from \$50m in 1971 to \$299m in 1980 and net income from \$4m to \$27.6m.

Guardian is also by common consent one of the most efficient operators in the industry, turning over its stocks 10 times a year and making a return of more than 20 per

cent on its capital before. interest. By contrast, Pilk-fingten turned over its stocks only four times in 1980 and had a return on capital of less than 5 per cent."

Guardian first took a look at the European market about four years ago. At the time, demand for double glazing was soaring and a number of Independent distributors and fabricators had become disgruntled with the established producers' practice of supplying their own subsidiaries group of them got together and formed a loint venture with the young U.S. producer called Luxguard.

· Today, as Luxquard begins production, the scene looks somewhat different from when the project was launched two years ago. The stagnation of demand and the rise of the dollar : against : European currencies has meant that European margins in dollar terms are no longer any better than those in the U.S. Moreover, there are now potentially four other large competitors

in each national market in Europe, not just two as before. Luxquard reports that it is selling all the glass it can produce in its current start-up phase —about 300 to 400 tons a day — and it is not undercutting, prevailing prices. Guardian has recently backed its optimism by buying con-troi of a Spanish glass com-pany for \$40m.

"We worry about getting our deliveries ont, not about the overall view," Mr Dean Wiley, managing director,

Lombard

Pyrrhic win for **Budget wets**

By Samuel Brittan

the following day's Press, the an underestimate. Chancellor can well afford a A reasonably favourable little blood letting at next Thursday's much-publicised Budget Cabinet, if he plays his cards anything hetter than

The moderate "wets" have made it known that they will be insisting on £2bn to £3bn of so-called "reflation"—that is. tax reliefs and expenditure increases. The sum involved will be ridiculously small by the standards of the old-fashioned Keynesian arithmetic designed to spend ourselves into full employment.

abysmally badly.

The over-whelming silliness of the £2bn-£3bn demand is that it is a figure hanging in the air. Its advocates do not bother to relate it to either the 1981-82

out-turn or the 1982-83 outlook. Requirement (or any other aiternative measure of the fiscal gap) were expected to soar, this new injection would be adding to a stimulus already in the pipe-line. If on the other hand the

PSBR is falling sufficiently rapidly, discretionary reliefs of this amount would be consistent with a continued slow-down in the growth of monetary demand. The latter prospect more nearly corresponds to the trutb.

The best guess for the 1981-82 ontcome is a PSBR of slightly less than the original £104bn estimate. According to the Financial Strategy it ought to fall to about £9bn in 1982-83. The odds are that the forecast will be for a slightly lower figure still before any changes other than the routine Rooker-Wise of income tax (which was not thresholds carried out last year) and of specific duties.

This is not the result of any major change in the new economic forecasts, which are likely to contain an estimate of the output rise for this year similar the 1 per cent shown range, ex the previous forecasts. Illiterate,

THE LACK OF economic Some acceleration should be sophistication of the self-shown for early 1983. Those proclaimed "wet" opponents of advisers who are more optithe Government's financial mistic are not arguing against strategy is playing into the hands of Treasury strategists. Irrespective of the leaks fed to interest rate trend) as there is interest rate trend) as there is interest rate trend and the following the following the strategy is politically from

PSBR outlook is assured, however, by a combination of energy asset sales and some slippage of this year's revenue into next, due to the Civil Service strike. amounting to a combined bonus of well over Fibn. Fortunately for the Chancellor, those who regard the bonus as largely cosmetic tend to favour a higher PSBR anyway, while the City and political advocates of stringency tend to take figures

at their face value.

Thus the Chancellor can grant up to £lbn of the "wets" demands without departing from the letter of the Strategy. This would finance a 1 per cent reduction in the employers' National Insurance Surcharge with a little to spare. Even if he went towards £2hn he might If the Public Sector Borrowing still be able to say the PSBR Requirement (or any other alternative measure of the fiscal gap) still be able to say the PSBR was falling slightly in money terms, and quite substantially as a proportion of the GDP.

He could also pray in aid some recession adjustment in the target figure—which ought to be on a cyclically adjusted basis—and also an improved productivity trend, which reduces the inflation risk.

Of course one or two of the "wets" such as Mr Peter Walker may have cottoned on to the arguments in this article and raised their "reflation bid" to say £5bn. If so they will come up against the mainstream British Tory dislike of "extremism" or anything far out, which kills good and bad ideas alike.

Thus the main argument will be in the range of £1bn to £2bn of reliefs, which by this stage is as unimportant and trivial as it is boring. A really "practical man" should be far more interested in the restatement of the long-term Strategy and in exchange rate and interest rate policy. Nevertheless, uncertainty is not a reason for going to the top end of the Budget range, except for the logically

Letters to the Editor

and the second s A better flow of sweet water

virtually everyone. We know aid helping self-help. its benefits (even if we take ... On skills, UK consulting time). So we should certainly are working across the worldunderstand the strength of the on water projects and this case for supporting the spread of these benefits in developing countries. This requires money, the transfer of skills, and personal commitment. Each of these is flowing, but needs to

flow yet more strongly. On money, meet of that required for programmes in the United Nations Water and Sanitation Decade has in any event to be found by the developing countries themselves. But aid from UK and other "water-rich" countries is still crucial.

Sir.-The authors of the

Green Paper on Corporation

tax seem to set limits to the

discussion. These are that there should continue to be a tax on

net profit and that any changes

from the present system should be "revenue neutral." Yet even

Corporation tax

From Mr C. Douris

reform

Through ODA this Government aims to provide professional and Notional Woter Council have somewhat increased the personal skills, training and Sic. It is excellent news that, funds assigned specifically to other help to poor communities the European Court of Auditors, water projects. This is welcome overseas for simple technology

> also active in water education for overseas professionals.

-called WaterAid to encourage personal and corporate giving in support of water pro-grammes oversees. Water Aid: 1, Queen Anne's Gate, SWI.

The Revenue should be satis-

follow our lead.

butions and individual commit- would achieve substantially on water projects and this ment alongside the Government more than 60 per cent of the Council's International Advisory aid because I believe they are seats. Such are the inequitable sing Service is joining with them not only compatible with each ney, offering its experience of train-other but interdependent. They per-ing, operation, maintenance, all need to be steadily in of storekeeping and the like UK creased. The only way to keep to universities and coffees are water projects effective, as the European auditors find they have been recently, is to go on On personal commitment, the offering developing countries a water industry, public and pri- wide range of help (in kind vate, have formed a new charity and cash) to be fitted into their own circumstances and initia-

(Sir) Robert Marshall

resistance to a change to proportional representation. The unjustness of the first

past the post system which has kept Labour or Conservatives in power since 1945 is likely to be the European Court of Auditors, water projects. This is wescome, overseas, for simple technology power since 13 is many to be pick out water supply projects in the first year of the Decade schemes and other activities for ended at the next General Electronian to meeting the needs, taked. Better water services are not appropriate. Oxfam, For whilst the Liberals only of large populations" (your give an excellent return in VSO and other services are given us secured 2 per cent of the seats report, January 15):

In this country we have good, greater capability to work via and some other developed countries in the Alliance gains over treatily accessible to befor health. This is interally, our lead. follow our lead.

I have referred to the com- of the seats, and if it were to mercial work, academic contrigain 44 per cent of the vote distortions of the present electoral system.

It seems, therefore, reasonable to conclude that if the Alliance gains a substantial percentage of the vote at the next General Election that the other Parties will very rapidly see the advantages, if not the dire necessity, for a change in the electoral system if the percentage of seats they achieve is substantially lower than their proportion of votes. Some might conclude that they ought to consider changing the system before the General Election. Anthony Jacobs,

9, Nottingham Terrace.

Insuring the

Sir,-Eric Short on building insurance (January, 2), brings to light the constant attempts of the insurance industry to increase its charges. Value must surely be market value and, des pite protestation to the con-trary, the market price is, un-The cost of this splendid new trary, the market price is, unservice: a mere £3.45 (including fortunately, the worth of the property. Case law rests on this

To include extra charges for architects fees, specialists to "count the number of bricks" in order to measure up the size of the house etc., to name out a couple of side shows, clearly indicates the intention of the insurers. It might be pertinent to show that many owners would clear up their own mess and indeed buy elsewhere selling the potential building plot thus cleared to belp the proceeds (in addition to the amount the insurers provide). No provision is made in the policy to enable this to lower the fee.

Cost of building materials these days, when carefully pur-chased can be up to 50 per cent less than the apparent market exigencies. Ronald Howe,

Whats It costing your company

If manufacturing industry is to start producing a better

return on investment, it has to improve its productivity. And industrial robots can, in very many cases, make a critical difference. Now, there's Government support which can do a great

deal to ease any financial obstacles or technical uncertainties and see firms through the start-up period. No business is too small or too large to qualify:

Available through the Department of Industry, this support includes financial assistance towards feasibility studies carried out by consultants, investment assistance and financial support for all the associated costs of developing a new system.

And it's the company's own management which makes the decisions; there's no 'man from the ministry' who is going to try to run things for you! So, the improvements in productivity

and competitiveness which could make all the difference to your company's financial performance are probably more accessible than you and your colleagues have been thinking. Don't you owe it to your future to find out more?

Department of Industry

Government support for industrial robots. Please send me full details of the Covernment's robot support scheme. Possible areas of robot applications if known Post to: Department of Industry, : Department of the control of the c

ings, but none for commercial buildings. With the new system of stock relief, based on an average index, some industries gain while others lose. Businesses make deals to obtain fixed advantage when commercially there is little justification for them. Those severe drawbacks follow from the tack being

fied in having a system simple to administer but yielding a similar amount of fax to the within these limits they overlook the opportunity for radical present. The economy should benefit because efficient busi-nesses would not be liable to be In discussing all major taxes, whether on income, capital, profit, or spending, the uncrifical assumption that we must have a high basic rate and manerous reliefs is very widespread Whyle this is under nesses would not be made to be severally penalised and because business decisions would be made on the basis of commercial not fiscal advantage.

It could be objected that there would be a greater dispersion of nerous reliefs is very ad. While this is understandable in politicians who can make changes in such systems to give short-term relief without undue concern for the

ally irrelevant.

parity between the taxation of incorporated and of unincorporated businesses, if a low rate of corporation tax were introengterm distortions businessduced. This distortion could be men looking for a healthy economy rather than specific removed if, subject to safe-guards, only drawings for un-incorporated businesses were advantage for their own com-panies ought to take a different subject to income tax. As you pointed out in your leading article (January 8), a radical The complexity of corporation reform of corporation tax should lead to a review taking in personal tax foo. It would tax rules leads to inequity between businesses. There are 100 per cent capital allowances for plant and equipment, lower allowances for industrial buildcome none too late.

Colin Dauris. Goodalls, Middle Street,

Spiralling cost of sending a message

From Mr-A. J. Spiro Sir, -- This morning British

Telecom advertised extensively levied at 52 per cent nr 40 per in the national Press their Telecent. If the classical system was message service which will reintroduced and the rate was lowered to 10 per cent there would be no need for the reliefs. There would be the guarantee delivery of a 50-word message the morning after it is received by British Telecom. The advantages of the scheme, building homes that the so far inconcluaccording to British Telecom, From Mr R House, ... sive debate about ellowing for inflation would become practic-

1—A brightly coloured 2—Gnaranteed delivery OL. money back. 3-Messages can be sent by-

telex or phone. . I shudder to think what the

cost of launching this new service is; probably in excess of £100,000 when advertising and administration expenses are included. If, instead of wasting public money on Telemessage, British Telecom spent it on improving the existing postal service, there would be no need to lay ont £3.45 to receive a letter by what used to be called first-A. J. Spiro Odell, 70, High Street.

Teddington, Middleser. Consider changing the system

From Mr A Jacobs. less than the apparent market Sir.—It is ironical that the value and no allowance is made two main political Parties, bay- for such prudent purchases. ing opposed proportional Insurers must not expect to representation for many bang on by these types of decades, continue to do so in the changed political circum Ronald Howstances of today Peter Riddell, Takarazuka, your Political Editor, makes Manor Road, clear (January 14) that there Doddington, Kent.

PENDING DIVIDENDS

Avon Rubber confident after reorganisation

continuing to affect the group's (£88.19m) and £812,000 loss tyre businesses, Avoo Rubher is (£1.06m profit); Bridgend £8.06m confident that a sound base on which to build has been provided by the £3m restructuriog of last year together with progress already achieved in new business areas, Lord Farnham, chairman. telis members in his aonual

He adds that as in the year ended October 3 last, the second six months of 1981/82 is likely to produce a stronger perform ance thao the first.

As reported on December to this Wiltshire-based lyres and industrial products concern made a second-half profit of £752,000 which held the deficit at £762,000 for the full period. This compares with a surplus of £840,000 previously.

Reorganisation costs amounted

to £t.45m in the 6rst half and £1.69m in the second six months. Group sales for the t2 months amounted to £t53.92m, against £155.69m, and with the pre-lax result were divisionally split as

Sterling Trust

revenue slips

Revenue attributable to ordinary shareholders of the

Sterling Trust slipped marginally from 1.59m to £1.57m in 1981

with the earnings per 25p share stated at 9.55p against 9.77p.

The intal payout for the

year absorbs t.57m (1,55m).

revenue to £2.74m (same).

The attributable revenue was

Net assets oer share are given

£731,548 (£803.223).

(£10.82m) and £953.000 loss (£331,000): industrial polymers £27.09m (£27.6un) and £19,000 profit (£428,0001; medicals £2,49m (£6,57m) and £202,000 loss (£797,000); ioflatables £5.5!m (£5.26m) and £108.000 loss (£656,000); Lippiatt Hobbs £19.29m (£17.26m) and £1.19m profit (£1m); associates profits £101,000 (£125,000).

Motorway Tyres and Accessories had a successful year, Lord Farnham states, and a number of additional outlets were acquired, which increased national coverage. At Bridgend, demand for the group remaining engineering products improved, as did the market for process materials for the remould industry, "and this favourable trend has continued in the current year." the chairman says.

Industrial polymers company made a good recovery in the second balf, with increased second balf, with increased £4.7m.
orders from overseas markets Meeting, Melksbam, Wiltshire,
for dairy, automotive, aerosol on February 15 at 2.30 pm.

and other components, and the New Year has started profitably. Avon Lippiatt Hobbs made excellent progress during the year and to support the growth of its business in North America. a manufacturing contpany was opened in Illinois and, since the year end, a 76 per cent interest was acquired in Norbren Resins, for £456,000.

The chairman adds that other oew opportunities have been identified and progress is expected to continue during 198t-

As at October 3 the halance sheet shows shareholders' funds of £24.15m, compared with £27.14m a year eartier, fixed assets £18.22m (£21.51m), current assets £57.68m (£58.89m), current liabilities and provisions £36.82m (£40.7m), and loans and overdrafts of £15.06m (£11.97m). Net liquid funds decreased hy £1.57m, against a £718.000 increase. On a CCA hasis the predax figure is increased to £4.7m.

United States & General rises to £932,930

REVENUE attributable to ordinary shareholders of the United States and General Trust Corporation advanced from £888,333 tn £932,930 in t981 and the final At the half year stage the dividend is being raised from company had already fallen 6.5p net in 7.5p per 25p share, behind with net revenue of making a lotal for the year of 731,548 (1803,223).

1.5p against 10.5o. Earnings
The final dividend is being per share of this investment trust are stated 0.5p higher at

maintained at 6.5p net per share, making a same again total of 1t.51o. revenue of £1.57m (£1.47m) was made up of franked investment income of Gross franked iocome fell from £2.05m to £1.97m, while unfranked income rose from £439.000 tn £641.000. Deposit interest of £103.000 (£238.000) £t.17m (£1.14m), unfranked inincome of £321,546 vestment deposit interest of £62,201 (£74,881), and nnder-writing commission of £14,198 and underwriting commission of \$23,000 (£9,000) brought the gross

After management expenses of £82,781 (£62,714). directors struck after management ex-penses of £160,000 (£144,000). fees of £12,000 (same), and auditors and trustees fees of £3,500 (£2,8501, laxable printis emerged at £1.47m (£1.39m).

Tax tnok £507,069 (£474,110) dehenture and lean interest of £131,000 (£148.000), tax of £838,000 (£821.000) and pre-ference dividends of £32.000 and orelerence dividends came to £30,476 (same). Ordinary as 301.5p (278.9p) and as 301.2o (277.9p) assuming full conversion of the loan stock. £932,018

Net assets per share, after

Put service and contract

hire together and the

answer is

MANNEGERTON

VEHICLE CONTRACTS LTD

In these days of ever increasing cost-consciousness it is essential that

excellence of service shall be the first consideration of fleet suppliers.

But achieving such high standards does not have to mean extortionate prices. Ask Mann Egerton tor a quotation and then sample our service

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2 Rose Lane, Norwich Tel: 0603 615721/3

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Abbotsbury Rd., Morden, Surrey Tel: 01-646 2313

340-342 Ballards Lane, North Finchley, London

Tel: 01-445 6321

Castle Street, Worcester Tel: 0905 24301

deducting prior charges at re-

payment value, are given as 362.3p (330.8p) xd. The Prudential Corporation now holds 600,000 ordinary shares in the trust, representing a 7.4 oer cent holding.

Gnome Photo optimistic

TAXABLE PROFITS of Gnome Photographic Products, which makes and sells ohotographic and visual and equipment, fell from £133.071 to £126.509 in the first half to November 30 1981 on increased sales of £795,391 enupared with £700,245.

Earnings per 10p share are given as 2.947p (2.909p)—last year a single maintained dividend of 4.15p net was paid.

The directors say that every the hest of the conditions, in which expenses over which they have no control continue to rise and cannot be offset by increased prices, and trust that these efforts will be fruitful at the year end.

The pre-tax profils were struck after divideods and interest received of £58,073 (£68,425). Tax took £52,500 (£60,000) and with profits on the sale of investments of £23,870 (£9,784) the attributable surplus emerged at £97,879 (£82,855).

1-82 Levy 251 Benso Bilber ... 280 Banco Central ... 229 Banco Hispann ... 239 Banco Ind Cat... 284 Banco Santader ... 284 Banco Santader ... 284 Banco Viscaya ... 203 Banco Viscaya ... 203 Banco Viscaya ... 203 Banco Zarapoza ... 22 Dranados ... 25 Fecsa ... 25 Fecsa ... 25 Gal. Preciados ... 35 Fecsa ... 25 Hidrola ... 35 Incrduero ... 35 Inc

FUTURE DATES DEUTSCHE BANK AG

> LONDON BRANCH Commencing on 25th lanuary 1982 Deutsche Bank AG. London Branch, will maintain a

U.S. \$75,000,000 Midland International Financial Services B.V. **Guaranteed Ploating** Rate Notes 1994 Guaranteed on a subordinated basis

as to payment of protopal and interest by

Midland Bank Limited 25th January, 1982 to 25th July, 1982

the Notes will carry an interest retu of 152% per arrum. On 26th July, 1962 interest of U.S.\$789.53 will be due per U.S.\$10,000 Note and U.S.\$7899.31 per U.S.\$100,000 Note for Coupon No. 2. Agent Bank: European Banking Company

U.S. \$125,000,000 Midland International Financial Services B.V. **Guaranteed Floating**



Midland Bank Limited For the six months from 25th January, 1982 to 26th July, 1982

of 15 % per annum. The interest payable on the relevant U.S. \$79.31 per U.S. \$1,000 note.

Barclays Bank Interest Rates.

BASE RATE

Barclays Bank Limited and Barclays Bank International Limited announce that with effect from 25th January, 1982, their Base Rate is decreased from 141% to 14% per annum. This new rate applies to Barclays Bank Trust Company Limited.

RATES FOR SAVERS

Bonus Savings and Payplan Accounts. Interest paid is decreased from 142% to 14% per annum.

Ordinary Deposit Accounts. Interest paid is decreased from 121% to 12% per annum.



Reg. Office: 54 Lombard St., EC3P 3AH: Reg. No's 45859, 920850 and 1025267.

Eagle Star bonus rates raised

HIGHER BONUS rates for 1981 have been declared by the Eagle Star Groop, with the company moving on lo a compound" system for ordinary life contracts.

Here the rate on the basic

sum assured remains at 5 per

cent but that applied to attaching bonuses is lifted by £1 to per cent. The terminal bonus for claims in 1982 is improved from 25 per cent to 30 per cent of attaching honuses. On the Personal and Executive Pension Plans, the rate is ocreased by 70p to £5.50 per ceot of the basic beoefit and attaching bonuses, while the terminal bonus, paid when the policy vests, is doubled to 20 per cent of attaching bonuses. On group pension schemes, the rate is tifted 50p to £6 per cent compound, with the final mamrity honus raised from 45 per cent to 50 per cent of the total benefits, with a higher bonos for lower oension ages uo to 55 per cent for age 60.

Downturn at Midland Trust

Net revenue of the Midland Trust fell from £151.081 to £121,149 in the first half ended December 31 1981, and earnings per 25p share are stated down at 2.87p, compared with 3.58p. However the interim dividend of this investment trust is being maintained at 2.45p net per share. Last year a total of 5.30 was paid out of net profits of £297,090 (£305,775).

The gross income from investments declined from £218,057 to £176.442. After preference dividends of £926,000 (same) the £176.442 · amount attributable to ordinary straeholders emerged £120,493 (£150,155).

Investments were valued at £5.4m (£5m) on December 31 given as 127.5p (117.5p).

ARBUTHNOT STERLING FUND foren ended investment company, invosting in short-leim securities) — Gross revenue in six months to October 31 1981 [50,470 (60,276); tax 630 (64.5); tayanus alter tax (7 693 (621,364); net esset value per share 151 (4p (116.56p).

BOARD MEETINGS

the Since Exchange, Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interiors or finals and the mainly on last year's imitable

TODAY
Interior Meccanile Hours, Palmers
Ion Investment Triest, David S Smith,
William Semmerville,
Finals: Alaxanders Discount, Allied
Texillo A Kershaw, Meggitt, Rank

Injaums:- Gariord-Lille Pullman (R. Finals:	y (ı	-dusi		 	·	Jan Jan	29 27
Adams and				•••		Feb	18
Blundell-Pct	mag	laze	•			Feb	4
Henlys						Jan	22

market in a selection of high quality floating rate notes.

Please contact: Mr Michael Scotcher Tel: 01-283 8391. Talex: 8811324

Rate Notes 1993 Guaranteed on a subordinated basis as to payment of principal and interest by

the notes will carry an interest rate

interest payment date. ZEth July, 1982 against Coupon No. 8 will be

Agent Bank: Morgan Guaraety Trust Company of New York

Important Notice The attention of Initias of Beart Deposit Restiges is dear a to the julishing advertisement pairitabed in The Bondralders Restiter. The Fourished Towns and The Stock Exchange Working Intelligence on 19th, 18th and 20th August, 1981 respectively.





out by the Issuing banks tree of all their

charges uncluding Australian Stamp

Duty on transfer to beneatial owners.

After a8th February 1982 the Issuing Banks have the right to sell all

the remaining deposited securities and thereafter their liability will be limited

All proceeds of the will be paid to

before ist March 1921 shall be forfeited

to the net proceeds of sale.

Bearer Deposit Receipts

Australia and New Zealand Banking Group Limited and The National Bank of Australasta Limited, the two ung Issuers under the Bearer Deposit Receipt scheme for Australian mmes, will each cease to be issuers as from 1st March 1982. The Scheme wall therefore terminate on 18th

February Inda. Pursuant to Clause 20 of the Memorandum of Conditions and under the terms of Clause & un the reverse of the Deposit Receipt nonce is hereby given of the termination of all ments with owners of BOR's.

owners on production of the appropri BDR but any proceeds not claimed Options open to owners of BDR's are-Sair of the under 1-193, hence. Transfer of the animy iver shares to the zone of the beneficial conter.

to the issuing Bank. Owners are requested to forward their written instructions as soon as possible, and in any event to arrive not leter than 46th February 1982, at the Issuer's respective offices, which are-

The National Bank of Australasia Limited

Camford loss moves to £1.46m

£531,000, brought the total losses for the year to September 30. 1981 of Camford Engineering to £1.46m compared with profits of £376,000. Turnover for the 12 mooths fell from £43.54m to

The final dividend of this melal pressings and stamologs manufacturer is being missed the last distribution was an interim of 1.63p net per 25p sbare made in 1980. Losses oer share are given as 7.79p t1.370 earnings).

Attributable losses emerged at £1.54m (£251,000 profits) after a tax credit of £20,000 t£126,000 charge), minority credits of £34,000 (£2,000 debits) and an extraordinary debt of £127,000 (£3,000 credit).

sists of the net costs of redund-ancies within the group — last

INCREASED SECOND half tax year's figure was the surplus on able losses of \$1.18m. against the disposal of land and buildings. As announced on August 28,

1981 an internal investigation into the affairs of a subsidiary revealed discrepancies in its accounts resulting from the falsification of accounting entries by a former employee. This had lead to the turnover and profits being overstated by £200,000 in 1979 and £575,000 in 1980.

FT Share Information

The following securities have been added to the Share Information Service: Greenwich Cable Communica tions (Section: Leisure)
21st Century Distribution Corporation (Leisure)

Watts, Blake, Bearne expands in Germany

pany's German subsidiary Fuchs'sche Toogruheo is acquiring from Westerwalder Keramik-Massen-Aufbereitung assets relating to the production of prepared body compositions, which are sold ready for the fabrication of

ceramic articles.

To allow for any expansion
Fuchs sche has also ourchased 0.5 hectares of land and has the right to purchase a further 0.75 hectares adjacent to the works from the owner of Westerwalder. The acquisition will enable Fuchs sche in expand production nf body compositions, which

were introduced into the oro-duct range in 1980. The consideration is £802.083 cash-half has been paid and the halance is payable in two equal instalments. The consideration come from the group's German resources.

and Peter Fuchs KG - a limited oarmership controlled by Mr B. Fuchs — certain properties, namely the freehold reversion in the bead office and adjacent land and buildings, 5.7 hectares of land and six mineral concessions oearby at Wirges and an option to acquire a further 125 bectares of land at Ransbacb-Baumbach. The option is exer-cisable on or before December 31, 1982 at 26,944 per hectare.

SHARE STAKES

Western Board Mills -H. H. Vagel, chairman, sold 50,000 ordinary sbares. Hickson and Welch (Holdings).

-The Government of Kuwait bas reduced its holding from 8.7 oer cent to 7.96 per cent, in. the ordinary shares (1,154,000). Emess Lighting - Sphere Inestment Trust has increased Furth who has also agreed to its holding to 200,000 ordinary acquire from Mr Rertil Fuchs shares (14.9 per cent).

BASE LENG	ING RATES
A.B.N. Bank 14 %	Robert Fraser 15 %
Allied Irish Bank 141%	Grindlays Bank
American Express Bk. 141%	Guinness Mabon 141%
Amro Bank 141%	Heritable & Gen. Trust 141%
Henry Ansbacher 141%	mentable & Gen, Trust 14176
Arbuthnot Latham 141% Associates Can. Corp. 15%	C. Hoare & Co †141%
Paner de Pilhas Miller	Hongkong & Changhai 1410
Ranco de Bilhao 141%	Hongkong & Shanghai 1410
Bank Happalim BM 141%	Knowsley & Co. Ltd 15 % Lloyds Bank 141%
Bank Leumi (UK) plc 141%	Mallinhall Limited . 14 %
Carle of Coomic 1410	Edward Manson & Co. 151%
Bank of Cyprus 141% Bank Street Sec. Ltd. 16 %	Midland Baok 14 %
Bank of N.S.W 141%	Samuel Montagu 14 %
Fanque Belge Ltd. 141%	Morgan Grenfell 141%
Banque du Bhone et de	National Westminster 141%
la Tamise S.A 141%	Norwich General Trust 14 %
Barclays Bank 14 %	P. S. Refson & Co 141%
Beneficial Trust Ltd. 1510	Roxburghe Guarantee 15 %
Bremar Holdings Ltd. 151%	E. S. Schwab 14 %
Bristol & West Toyest, 16 %	Slavenburg's Bank 141%
Rrit. Bank of Mid. East 14 %	Standard Chartered 14 %
Rrown Shipley 15 %	Trade Dev. Bank 141%
Canada Perni't Trust 15 %	Trustee Savings Bank 14 %
Cavendish G'ty T'st Ltd. 151%	TCB Ltd 141 %
Cayzer Lin 15 %	United Bank of Kuwait 14 %
Cedar Holdings 15 %	Whiteaway Laidlaw 15 %
Charterhouse Japhet 15 %	Williams & Glyn's 14 %
Choularinns 15 %	Wintrust Secs. Ltd 144%
Citibaok Savings 115 %	Yorkshire Bank 14 0
Clydesdale Bank 14 %	Yorkshire Bank 14 %
C. E. Coates 15 %	Committee'
Consolidated Credits 141% Co-operative Bank 141%	* 7-day deposits 12.50%: 1-mooth
Co-operative Bank *141%	12.75%. Short term £8,000/12
Coriothian Sers 145%	† 7-day deposits on sums of £10,000
The Cyprus Popular Bk. 141%	and under 125%, up to £50,000
Duncan Lawrle 141%	13% and over £50,000 134%.
Eagil Trust 14/%	# Call deposits £1,000 and over
E.T. Trust 141%	124%. § Oemand deposits 124%.
First Nat. Fin. Corp 17 %	Z1 day deposits over £1,000 135%.
First Nat. Secs. Ltd 17 %	Mortgage bess rete.
•	

Bank of Tokyo (Curação) Holding N.V. US \$50,000,000



Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by

The Bank of Tokyo, Ltd.

(Kabushiki Kabha Tokyo Ginko)

In actordance with the provisions of the Agency Agreement between Bank of Tokyo (Curacao) Holding N.V., The Bank of Tokyo Ltd., and Citibank. N.A. dated July (0, 1980, notice is hereby given that the Rate of Interest has been fixed at 1516% p.a. and the 26 interest payable on the relevant interest Payment Date, July 26, 1982, against Coupon No. 4 will be U.S.\$396.55. January 25.1982 **CITIBANG**

9y: Citibank, N.A., London, Agent Bank

KANSALLIS-OSAKE-PANKKI (Incorporated with limited liability in Finland)

U.S.\$30,000,000 Floating Rate Capital Notes 1983 U.S.\$30,000,000 Floating Rate Capital Notes 1983
Notice is hereby giveo oursuant to the Terms and Conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined) from 25th January, 1982 to 26th July, 1982 is at the annual rate of 15th per cent. The U.S. Dollar amount to which the holders of Coupon No. 10 will be entitled on duly presenting the same for payment will be U.S.\$79,3090 subject to appropriate adjustment thereto (or the making of other appropriate arrangements of whatever nature) which the Fiscal Appent arrangements of whatever nature) which the Fiscal Agent may make, without further notice in the event of an extension or shortening of the above-mentioned Interest Period. European Banking Company Limited

European-American Bank & Trust Company 25th January, 1352

BANCO DE LA NACION ARGENTINA

U.S.\$30,000,000 Floating Rate Notes 1983 Notice is hereby given pursuant to the Terms and Conditions of the above-mentioned Notes that the Rate of Interest (as therein defined) for the Interest Period (as therein defined) from 25th Jaouary, 1982 to 26th July, 1982 is at the annual rate of 15th per cent. The U.S. Dollar amount to which the holders of Coupon No. 8 will be entitled on duly presenting the same for navnect will be IUS 79.31 subject to entitle the same for payment will be U.S.\$79.31 subject to appropriate adjustment thereto (or the making of other appropriate arrangements of whatever nature) which may be made in accordance with the Terms and Conditions, without further notice in the event of an extension or shortening of the above-mentioned interest Period.

European Banking Company Limited (Agent Bank) 25th January, 1982

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The sates shown are those of last years announcements except where the forthcoming board meetings (indicated thus*) have been officially published. It should be emphasised that dividends to be declared will not necessarily be at the amounts in the column headed. Announcement last year."

yaar Assoc. Dainee Jan 27 Int. 176 PICI - Feb 25 Sec. Int. 5.0 Assoc. Figheries. Feb 19 Final 0.75 Linyds Benk , Feb. 19 Final 8.6 Londo Feb. 18 Final 8.0 Marchweld Feb. 18 Final 3.6 Auft and Wilsong ... Mar 6 Berolays Bank. Mar 5 Final 3.25 Sibby (1) Mar 5 Final 4.925 Birmid Marchaeld Feb Rs Final 3.6

Mitchell Cotts Mar 6 Int. 9.88

Mitchell Cotts Mar 12 Final 12.5

Mitchell Cotts Mar 25 Int. 9.28

Menufacturg Feb 23. Final 3.0

Plessay Feb 26 Int. 9.29

Rensomes Siths

and Jaffries Mar 4 Final 8.0

Revisi Insea Mar 5 Final 18.8

Securicy Feb 18 Final 1.8

Securicy Feb 18 Final 1.8 Quelcast. Feb 18 Finel net British Vite ... Mer 3 Finel 2.6 Brown ares. ... Feb 26 Int. 1.0 "arown (J.) ... Jan 29 Int. 1.75 Viyella Fab 25 Fine C4.
City Offices Fab 10 Sec. int. 1.8
Commercial Fields Mer 4 lot 8% Fields Mer 4 lot 8% | Jan 27 lnt 1,225 | Int 11,0 | Feb 14 lnt 2,2 | Int 13,0 | Int 1,481 | Int

KELSEY INDUSTRIES Lad.

Statistics from the Report of the Chairman, Mr. J. G. Moss, and the accounts for the 12 months to 30 September 1981

1980/81	1979/80
€0003	£000
Turnover 22,132	24,771
Direct exports 7,013	8,258
Profit before tax 1,402	2842
Profit after tax 828	1.524
Ordinary dividends 307	- 307-
(32%)	+32%)
Total funds retained 1,091	2,651
Net assets 11,066	3,928
The second secon	A STATE OF THE REAL PROPERTY.
Earnings per share	35.70
	The second of the second

Public Works Loan Board rates

Over 5, up to 6..... Over 6, up to 7..... Over 7, up to 8..... 16] 16] 17] 17] 16] 16] 17] 17] 16] 16] 17] 17] 16] 16] 17] 17] 16] 16] 16] 17] Over 8, np to 9..... Over 9, np to 10 ... Over 10, up to 15... 154 154 154 164 164

*Non-quota loans B are 1 per cent higher to Jack essents non-quota loans A. † Equal instalments of principas. ‡ Repayment by half-yearly annulty (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only

LOCAL AUTHORITY BOND TABLE

	Annual Interest Life
Authority	gross pay Minimum of
(telephone number in	interest able sum bone
parentheses)	
	-% E Year
Barnsley (0226 203232)	. 141 1 ear 1,000 3
Knowsley (051-548 6555)	. 141 1 year 1,000 48
	There is a good war to grant to



THE KYOWA BANK, LIMITED

Negotiable Floating Rate U.S. Dollar Certificates of Deposit Maturity date 26th July 1982

In accordance with the provisions of the Certificates. of Deposit notice is hereby given that for the final sixmonth interest period from 25th January 1982 to 26th July 1982 the Certificates will carry an Interest Rate of 1511% per annum.

Agent Bank Hill Samuel & Co. Limited. London

M. J. H. Nightingale & Co. Limited

-		!				Gros		- 7/	E
E0000_8					Chang	Gros	: Yiald		Fut
capitalisst	ion C	ombana		· COLDE	OU WAS	ik ala-1)	D) %	ACC 102	1 540
1,204 .	ABI HId	as. 100	e CULS	921.	1 2	10.6			** 3
3,994	Armitage Bardon	g		69		- 4.7	6.8	11.0	. 16
1,150	Armitte	& Rhi	odes	48		4.3	9.3	3.8	. 8
12,342	Bardon .	на		202	+ 3	37	4.3	9.8	12
6,345	TEDOLDU	Service	E	: 82	1	6.0	7.3	44.	ु 7.
4.111	Frank, H	Orașii .	.,,,,,,,,,,	129	+:2	8.4	,, 5.D	11.6	. 23
10,835	Reborah Frank H Frederici George	k Parker		. 75	. + 3	1.7	. 71	37.6	
904 '	George	Blair .		40	+ 1	1/2			- 2
3,818									
2,520	lais Con Jackson	v. Pret.		105		1677	15.0	-	₹÷
2,429	Jackson	Group		- 96	. خير -		7,3	-= 3.0 .	- 6
15,734	Robert ,	ormugh		114		8.7	7.6	8.3	10
. 2,581	Robert,	Jankins	-	253	+ 3	.3.3	72.4	3.5	. 8
2,700	Torday Twinter	s "A"	: or more again	- 65	¥. —,	3.3	9.6	8.5	.7
4,076	Torday			767		10.7	8.4	5.4	- 3
2.778	Twintock Twintock Unitock Watter	: Ond		13.					4 =
2,047	Twinlock	: 16pc (ILS ,	75	·+ +	15.0	20.D		-
4,425	Unilock	Holding		29		3.0	10.3	5.2	8.
9,506	Watter	Alexande		75		-34	25	49.	. 6.
5,041	W. S. Y	antes.		215		465 1	- 2.4		0.

FINANCE FOR INDUSTRY TERM DEPOSITS:

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received no (later this). 3 & 6 6 1 8 9 10 Terms (years) 131 131 131 131 131 14 16 16

Deposits to and further information from The Chief Cashier, Finance for Industry Limited, 91 Waterloo Rd. London SEL EXP (01-928 7822) Eng 367.

Cheques payable to Bank of England, a/c FRT 477.

is the holding company for ICFC and PCE.

CREDITS

Argentine deal raises more than expected

Criticised for both the un-popularity of the borrower—the recent economic and political choos has done little to enhance Argentina's international credit rating—and for its complicated structure the deal was being described as a dismal failure last Friday even by bankers quite closely associated with it. Yet in fact YPF has raised more from the market than many people anticipated. As syndication was drawing to a close last Friday agent Chase Manhattan revealed that about \$185m had been committed, comprising \$130m from second-

The credit bore basic margins Bantural is paying a top margin of 11-12 over Eurodollar rates of one per cent over London or 1-12 over U.S. prime, but was interbank offered rate (Libor)

THE \$400m, eight year credit divided into three complex for Argentina's state owned oil tranches for actual sale in the concern YPF will probably be market place, engendering conferencembered as the most fusion among potential lenders maligned Euromarket deal in who said they could not under the new year of 1982. divided into three complex for its current \$400m credit, tranches for actual sale in the although other tranches in the market place engendering con-fusion among potential lenders Previously Mexico was paying

this strategy on Friday." the deal would not have done as well without this structure," remains that the image of failure will bount Argentinian borrowers for some time to come.

This could be particularly awkward at a time when many bankers continue to complain about the volatility of the market in general. Credits are increasingly hard to price as spreads for some borrowers move up—and Latin American deals remain particularly affected in view of the sharp tier managers and \$55m from jump in margins for Mexico.

participants Mexico's agriculture bank

only f per cent.

stand the terms.

Chase staunchly defended credit for the Ivory Coast looks this strategy on Friday—"the sure to be increased. Led by Citicorp'it bears a margin of well without this structure," 11 per cent for the first three said one executive, but the fact years rising to 11 per cent Bankers attribute the success

of the operation not only to the high spreads, but also to the eight-year maturity, the limit to which many banks are prepared to go in these uncertain times. In other news a measure of relief has come to Poland's bank creditors who have been told by Warsaw that interest arrears will be made np by mid-February. Banks are already beginning to jockey for posi-tions in the forthcoming \$300m credit for the Korean Exim

INTERNATIONAL BONDS

INTERNATIONAL CAPITAL MARKETS

U.S. oblivious to Europe's desires

are shifting from one side of bonds, floating rate notes, and been effectively pre-placed the Adlantic to the other. The fixed-rate bonds.

West German special Lomberd The zero coupon bonds—
rate has been cut by 1 per cent which pay no interest and are and the U.S. Federal Reserve priced at a fraction of their shows no sign of taking action nominal value to provide laws.

The Bundesbank, the Bank of fad two weeks ago and then England, the Dutch authorities became a craze. and the Swiss National Bank The past seven days have have all indicated, in various ways, a desire to see a less restrictive monetary policy and generally lower interest rates.
In the U.S. bowever, a mumber of officials appear to be oblivious to Europe's desires. to \$467.9m. European bankers mumble once In any m again about an "interest rate

Meanwhile it is business as usual again in the Eurodollar bond market. This means more fads, gimisicks, and other demoney; corporate treasurers vices to attract the elusive can calculate the redemption investor.

None of Europe's capital marvets had an exciting week in the secondary sector; there has been too much confusion about the trans-Atlantic tennis match over interest rates. But in the orimary sector the Eurodoliar Peter Montagnon market was swamped by \$2.4bn

shows no sign of taking action nominal value to provide large to lower interest rates. capital gains started out as a

became a craze.

The past seven days have seen \$1.6bn of zero coupon paper from prestige U.S. corporate names such as Dupont. Sears Roebuck, and Xerox Corporation. The actual value of the funds being raised comes

In any market it takes two to tango - the borrower and the investor. The zero coupon market is no different. For the borrower these issues provide cheap current source of corporate treasurers funds needed and come up with

a relatively low annual yield.

As for the investor, the market seems to have found a hole in Japan and it is being filled. Because of the structure of Japanese capital gains tax laws there is sizeable demand for the zero coupon paper. A

to 261 'against an issue price of 251. This was one of the better deals. A less happy ex-perience has been had by the managers of Beneficial Finance zero coupon paper, trading at 301 against an issue price of

By Friday the zero coupon craze had spread throughout Europe and it was not just Japanese investors making the running. As for how long it will continue, this depends on how much paper the Japanese and others will take. It is also a function of the degree of interest among investors for more

Swedish Export Credit launched a \$75m floating rate note last week, a five-year offer with interest at six-month Lon-don interbank offered rate (Libor). But Morgan Guaranty and Morgan Stanley added a

warrants to buy \$112.5m of

CURRENT INTERNATIONAL BOND ISSUES

I issue may also be sold on an FRN basis. Note: Yields are calculated on AIBD basis.

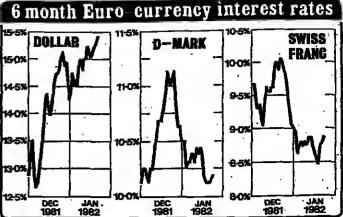
5.750

11.00

Credit

floater did fine. ginumick — the borrower simul-taneously offered free-standing however, indicated that it was

not the best week for SEK. The



eight-year bonds at 14f per cent. Swedish borrower's DM 50m These warrants were actually in private placement through lieu of a selling commission for Bayerische Landesbank appears the managers and the market to have suffered greatly from has not exactly beaten a path a coupon which was, at the time, simply too low. The terms — 91 per cent and an issue price of 991 — are said to have attracted few true to the managers' doors. The warrants traded at a lacklustre \$9-\$10 on Friday although the

Alan Friedman

Kuwait Investment Co

PETROBONDS

Mexico fights to hold confidence

MEXICO is fighting a rearguard creating a wide discrepant action to maintain confidence in the market for petrobonds, its the bonds and the actual lev unique effort to kink invest- of oil revenues ment in the bond market with As a result the market the fortunes to be made out of became uncertain and volatil its massive off wealth.

First launched in 1977, the plunged. bonds—which are denominated With the more recent cut is in pesos but bear a redemption its oil price Mexico has no walue kinked to the export of decided to lower the reference crude oil—were an instant price for redemption of the success, but now the experiment bonds to the current Ithsmu

When oil prices first slipped compensate holders of the

investors realised that the aver-foreseen for the time being, age selling price of Mexican oil had fallen to around \$31

between the reference price for

and secondary market volum

When oil prices first slipped compensate holders of the last summer. Mexico tried to paper it has also had to raise signore reality and left the the amount of oil backing each reference price for the bonds 1,000 percess bond by 10 per cent tunchanged at \$33.50, the pre- to 1.213, barrels.

vious export price of its In affect this leaves investors superior Ithsmus light crude no better nor worse off, but The intention was to give a Mexico itself has had to bear boost to the market which had the cost of protecting the value only receptly absorbed a new of the paper and although issue of petrobonds. issue of petrobonds secondary market prices have It backfired however as improved no new issues are

		m.		years	%		
	U.S. DOLLARS						
					-1	144	Daiwa Europe, CSFB,
	Nippon Electrics‡	80	1997	15	5}	100	SBC Intnl.
	Hitachi Cable§‡	40	1996	15	5 } .	100	Nomura Intl. Yamaichi, Schroder
	Tokyu Corp.§‡	30 .	1997	15	댉	100	Wagg Nikko Secs, Morgan
	C. Itoht	50	1987	-5	11	100	Guaranty
СУ	Banamextt	60	1992	10	. 530	100	C5FB
for		60	1989	7	161	•	CSFB
vel	Duponti	300	1990	é	0	33.9	Morgan Stanley
LET	1. C. Penneyt	350	1994	12	ŏ	18.50	CSFB
		15	1997	15	ě	100	Daiwa Secs, Sanwa Ba
tet	Michiner, 3	13	1377	15			Morgan Guaranty,
ile me	Swed Export Creditf	75	1987	5	•	•	Morgan Stanley Lloyds Bank Intla
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in	Altos Hornos (Mexico)#	180	1987	5	60	100	B.N.P., Paribas
w	Mitos Horitos (I-iexies)1+		1767	•			B.N.P., Banque Bruxe
ice	ANASTI	100	1990		510	100	Lambert
he	Citicorpt	150	1985	8 3 3	0	66.5	Merrill Lynch
us	Hydro-Quebec‡	100	1988	3	161	100	CSFB
to		.00	1700	•			, Dean Witter Reynold
be	Sears Roebuckt	300	1992	10	0	24.72	Daiwa Secs.
			.,,,				
se	U.S. DOLLARS						
ch							Salomon Bros., Merril
nt,	Beatrice Foods‡	250	1992	10	10	25.50	Lynch
							Salomon Bros., Golder
IS.	Xerox Corporation:	250	1992	10 .	0	25.50	Sachs, Nomura
ut	Japan Development Bank	50	1987	.5	751	:	Paribas
ar	Astra	100	1992	10	16	100	Morgan Stanley
		400		-			Manuer Charles

forgan

Witter Reynolds

·			•				Of
Borrowers	Amount m-	Maturity	Av. life years	Сопроп	Price	Lead manager	yi 9
D-MARKS		• 7					
EI8‡	150	1989	7	10	160	Deutsche Bank	10.00
EIBŢ	100	1992	10	70	100	Deutsche Bank	10.00
Pemex	150	1990	8	11	*	Commerzbank	*
SWISS PRANCS							
NTT	100	1992	_	6 1 51	100	SBC	6.67
Nissan Motors**&#</td><td>175 '</td><td>1987</td><td>_</td><td>5-1</td><td>100</td><td>SBC</td><td>. 5.30</td></tr><tr><td>Showa Line**§‡</td><td>SD</td><td>1987</td><td>_</td><td>6</td><td>100</td><td>CZ</td><td>6.00</td></tr><tr><td>Spain</td><td>80</td><td>1992</td><td>_</td><td>73</td><td>*</td><td>CS</td><td></td></tr><tr><td>World Bank</td><td>100</td><td>1992</td><td>_</td><td>*</td><td>*</td><td>58C</td><td>*</td></tr><tr><td>TEAC Corp**St</td><td>25</td><td>1987</td><td>_</td><td>6</td><td>100</td><td>Paribas Suisse</td><td>6.00</td></tr><tr><td>Izumiya**§‡</td><td>20</td><td>1987</td><td>_</td><td>6</td><td>100</td><td>Swiss Volksbank</td><td>6.00</td></tr><tr><td>Ishihara**§1</td><td>50</td><td>1987</td><td>_</td><td>6</td><td>100</td><td>Banca del Gottardo</td><td>6.00</td></tr><tr><td>RWE**1</td><td>50</td><td>1989</td><td>_</td><td>71</td><td>100</td><td>CZ</td><td>7.37</td></tr><tr><td>VEAS</td><td>40</td><td>1994</td><td>_</td><td>•</td><td></td><td>Soditic</td><td>*</td></tr><tr><td>Nippon Sheet Glass**§</td><td>40</td><td>1989</td><td>. –</td><td></td><td>700</td><td>SBC</td><td></td></tr><tr><td>GUILDERS</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>World Bank</td><td>250</td><td>1992</td><td>10 _</td><td>113</td><td>100</td><td>Algemene Bank</td><td>11.75</td></tr><tr><td>EUAs</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Copenhagen</td><td>12</td><td>1992</td><td>61</td><td>123</td><td>-</td><td>Kredietbank</td><td></td></tr><tr><td>YEN ·</td><td></td><td></td><td></td><td></td><td></td><td>Nomura Secs. Daiwa S</td><td></td></tr><tr><td>CITIC++</td><td>10bn</td><td>1994</td><td>12</td><td>8.7</td><td>100</td><td>Bank of Tokyo</td><td>8.70</td></tr><tr><td>Dow Chemicalt</td><td>20bn</td><td>1992</td><td>76</td><td>8.5</td><td>991</td><td>Nomura Secs</td><td>8.5</td></tr><tr><td>ECUs .</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>NERSA‡</td><td>30</td><td>1990</td><td>8</td><td>137</td><td>100</td><td>BNP, Banque de l'Ind</td><td>ochine</td></tr><tr><td></td><td></td><td></td><td></td><td>,</td><td></td><td>et de Suez, Banque Bruxelles Lambert</td><td>13.83</td></tr><tr><td></td><td></td><td></td><td></td><td>•</td><td></td><td>Nurces traines</td><td>, con</td></tr><tr><td>KIJWAITI DINARS</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr><tr><td>Charbonnages de Francet</td><td>7</td><td>1989</td><td>7</td><td>11}</td><td>100</td><td>KFTCIC, Credit</td><td></td></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>Lyonnais</td><td>11.75</td></tr></tbody></table>							

Nippon Credit Bankt

CANADIAN DOLLARS



U.S. \$50,000,000 15½ per cent. Guaranteed Notes due 1988

Western Mining Corporation Holdings Limited

Western Mining Corporation Limited

S. G. Warburg & Co. Ltd

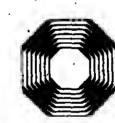
Banque de Paris et des Pays-Bas

Dresdner Bank Aktiengesellschaft

IBI International Limited

Morgan Stanley International

Aigenene Benk Nederland N.V.	Amer Bank	Anno International	Anab Banking Corp	constitut (ABC)	caheld and S. Heidingeder, Inc.
Banca Compenciale Haliana	Banca Nazionale del Lav	aro Benco di Re	max. Bank of A	marica International	Bank Brussel Lembert N.V.
Bank Moos & Hope NV Bank of	Tokyo International Ba	mque de l'Indochine et d	ie Soez Benque Int	errationale i Terrambero Social Asomae	g Braqua Nationale de Peris
Banqua Populaire Suisse SA Larremi	ourg Banque Worms	Batting Brothers & C	o., Eayerische Hyi	ofhskur- und Wechsel B	enk Bayerische Londesbenk Cimetrale
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	Swentin Hands		Union Benk of Switzer	land (Securities)	Versins und Westbank



C. A. La Electricidad de Caracas

\$50,000,000 medium-term loan

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U.S. BONDS

Rise in interest rates seen as inescapable

A RISE in U.S. ioterest rates remains around 13 to 14 per seems inescapable after last cent for more than a fortnight, Friday's increase in the mooey the Fed would have to raise supply and Wall Street is brac- its discount rate from 12 per ing itself for a roogh ride.

The \$700m jump in M1 came as a total surprise—confound-ing bopes for a big fall to wash out the record \$10.4bn increase of the week before,

By normal standards, the increase was tioy. But coming as it did in the wake of the alarmingly strong and puzzling growth of M1 in the last six weeks, it seems to leave the Fed no choice but to rein in credit not just to bring the rate of growth back under control, but as an act of self-

Wall Street analysts were deeply divided as to whether the Fed had already embarked on a tightening course last An unusually timed intervention in the money market by the Fed last Thursday to drain reserves and push up interest rates was widely viewed as a firming move. But many analysts argued that it was dictated by seasonal market conditions which will distort the picture for some time to

The Fed's choice now seems to lie between firming only moderately in the hopes that the mooey supply bulge will ease in the weeks ahead (as the weakness of the economy suggests it must) and adopting a more aggressive stance to score quick results. Although the last thing anyone wants is another spike in U.S. interest rates. anxiety about the money supply in both political and financial circles is now such that irooically-the second course rekindle confidence

Whichever course the Fed chooses the result will be higher interest rates. The Fed funds rate was already soarlog last week. It closed over 13.50 per cent, up 1 per cent, aod pulled other shart term rates up with it. Bankers predict that raise the nrime rate from 15f Visible Supply (5bn) per ceot, its first rise since last summer. If the Fed funds rate and First Goston.

cent to bring it back in line.

The bond market, sensing these pressures. was also weakening again by the end of

By coincidence, Mr Paul Vnlcker, the Fed chairman, will add to the drama when he testifies to Congress tomorrow. The market should get some clue to what the Fed thinks of all these developments, though be is bound to try to soothe the

financial market's fears. Wall Street will get another sharp reminder of its biggest bugbear, the Federal budget deficit, on Wednesday wheo the Tressury is to announce details of its first quarterly refunding of the year, which will occur in February. Wall Street is expecting a package of \$9bo to \$10bn in new notes and bonds as the centrepiece for this quarter's borrowing which could total a record \$40bo of new weekly and monthly sales of bills and notes.

President Reagan's State of the Union address on Tuesday may also contain details of proposed tax increases to help bridge the spendiog gap. But these are more likely to be small excise taxes rather than the more drastic measures some people on Wall Street are look-

Given the uncertainty into which the markets have been plunged, borrowing by anyone but the Treasury has ground to

David Lascelles

U.S. INTEREST		
	Week to Jan 22	Week to Jan 15
ed funds wkly, av,	13,58	12.88
-month Trees, bills	12.74	12.52
-month CD	12.75	13,45
O-year Tresa, bonde	14.14	14.21
AA Util	16,75	16.87
A Industrial	18.00	18.12

SAMA decision spur to Tokyo stock markets

REPORT that the Saudi peak price levels of late last been leaked intentionally to Arabia Mooetary Authority (SAMA) will for the first time buy directly convertible deben-tures issued by two Japanese companies, belped spark a sharp sdvance on the Tokyn stock market on Friday.

In very beavy trading, the Nikkei Dow index nf 225 shares rose Y88.85 to close at Y7,823.36, the highest level in five months. Sony Corporation and Hooda

Motor, whose convertible bonds

are reportedly to be placed privately with SAMA, jumped by Y310 to Y3,920 and by Y24 to Y829, respectively.

Market analysis said the rally came as something of a surprise, considering the recent dull performances of most shares. Selling pressure bas been strong as investors approach the settlement dates

on margin accounts for stocks

bought (on credit during the

margin debt, however, has failen substantially, by about 9 per ceot, from the record high levels of the past few months. This is considered near the level where a technical market reversal could take place. Thus, investors seized on the news of

The outstanding level of

This apparently would be the first time that Saudi Arabia has purchased what amounts to Japanese sbares, having pre-ferred in the past to buy Japanese Government and corporate straight bonds.

rallying point.

Mere rumours of SAMA buyiog Japanese stocks bave in tha past been enough to set off market rallies in Tokyo. There is some feeling that news of SAMA's otherwise highly

give the market a nudge. Friday's advances centered

on blue chip stacks, especially those involved in high techunlingy fields, many of which are still trading well below the record high reached during the 1981 rally which abruptly last August.

 Securities industry sources confirmed on Thursday that SAMA's buying intentions as a SAMA had been in negotiations nver the placing of the two convertible bond issues-by Sony and Honda Motor-since last year. It was believed that other major Japanese companies were hoping for similar placements with SAMA which has already around Y2.000bn (\$8.9bn) in Japonese bonds. There have been recurrent rumours in the past that SAMA planned to take corporate convertibles as a way of taking equity stakes in major Japanese

Wilhelmsen earnings move up

By Fay Gjester in Osio

WILH WILHELMSEN Norway's largest shipping group, reports higher gross freight earnings and profits in 1981 than a year earlier, with the lioer trade once sgain making the largest contribution to the group's total earnings. But a preliminary report to share holders says the outlook for this sector is uncertain in 1982, because of the recession and the declice in international trade

Operating results before depreciation amounted to an . NKr estimated (US\$102m). compared NKr 426m in 1980. After depreciation and oet financial items, profits were NKr .160m.

against NKr 124m.
The improvement in 1981 is attributed partly to the stronger U.S. dollar, although this—together with higher interest rates—also pushed up the group's financial costs.

Compugraphic deal completed by Agfa

BY KEVIN DONE IN FRANKFURT

acquired 69 per cent of Compu- effort. graphic the U.S. photo-composition equipment manufacturer, in a deal worth \$78.2m.

The acquisition is an important extension to Bayer's in and to develop terests in the U.S., where it had for this market. sales of \$2.4bn in 1980, and follows a series of earlier acquisitions, most importantly in the pharmacenticals sector. Agfa-Gevaert announced that

was bidding for majority control of Compugraphie in October, but the stake it has takeo is significantly higher. than first indicated last year. Agfa has purchased 2.5m loss as sales stagnate existing shares at \$14.00 per In the first quareshare and in addition is taking current financial up just over 3m new shares at October 1981); it the same price. It is pumping small profit of \$0.9 io new equity in order to

AGFA-GEVAERT, the photo- improve Compugraphic's finangraphic products subsidiary of cial structure and help with Bayer, one of the leading West the financing of its heavy German chemicals groups, has research and development

Agfa's main objective wif the acquisition is to enter the market for automated elec-tronic based printing ssytum and to develop future systems

Its move for Compugraphic has come at a time when the U.S. concern's profits have been plunging, partly as a result of heavy financing costs. In 1979 Compugraphic reported net income of \$18.3m. In 1980 to achieved after-tax profits of only \$8.7m on sales of \$277m and last year it slipped into loss as sales stagnated at \$278m.

In the first quarter of the current financial year (from small profit of \$0.9m on sales of \$68.7m.

Reorganisation at Marsh and McLennan

 A new world-wide retail insurance brokerage organisa-tion has ben created by MARSH AND McLENNAN COMPANIES. AND MELENNAN COMPANIES.
All of Marsh and McLennan's retail brokerage operations (Marsh and McLennan, Incornorated; Marsh and McLennan International Inc.; Bowring UK Ltd.) will be united in Marsh and McLenan, Incorporated. The chairman of Marsh and chairman of Mersh and McLennan, Incorporated, will be Mr Alessandro C. di Montezemoio. Mr Robert Clements will be president,

Mr David D. Holbrook bas been appointed executive vice-president of Mersb and McLeonan, Incorporated, U.S. operations. Mr Sberwood C. Blake is executive vice-president for international operations. Mr Philin J. Brown, jr., executive vice-president, has been named head of world services. In addition, Mr Phillips Lonnsbery, executiev vice-president, will be executer vice-president, will be in charge of corporate affairs and Mr Brandoo W. Swetzer, managing director, will be chief financial officer. Mr Kennedy B. Galpin, vice-chairman, has been camed chairman of the U.S. management committee and Mr

Bowring and Co., has been named chairman of the international committee.

Mr Jacques Bonnot bas been appointed chief executive and managing director of CAISSE NATIONALE DE CREDIT NATIONALE DE CREDIT AGRICOLE, a leading French



M Jacques Bonnet

bank based in Paris. Mr Boooot was geoeral secretary of Moood Française de Banque, the new company formed after the merger with the Societa Française de

INTERNATIONAL APPOINTMENTS

managing director of ASEA. In addition to being on the boards of different ASEA Group companies Mr Svanholm will be responsible within ASEA's top management for rationalisation and administrative development matters. Mr Svanholm beld various posts in Nys Asfalt and Fosfatbolaget up to 1973. He was then employed as technical manager of Nitro Nobel and subsequently became managing director. In 1978, be became managing director of the Katrinefors Group within

INTERNATIONAL THOMSON ORGANISATION. Toronto, has formed International Thomson Business Press. European division of International Thomsoo Business Press Inc., U.S., with Mr Tim Hedgcock as managing director. This new division will be responsible for developing the European poteotial of Inter-national Thomson's U.S. busioess magazines, Mr Hedgcock has

NORWAY. He will be based at general manager airline Stavanger, Norway. He was planning. assistant to Dr W. P. Doyle, Mr Gordon F. Ahalt has been

● Mr Bert-Olof Symbolm. a managing director of Texaco in re-elected to the board of directors of TRANSCO COMPANIES.

In managing director of Swedish Match
AB, has been appointed deputy managing director of ASEA. In Jordan jr. a partner in the managing director of ASEA. In Jordan jr. a partner in the managing director of ASEA. In Jordan jr. a partner in the managing director of ASEA. In Jordan jr. a partner in the managing director of ASEA. In Jordan jr. a partner in the managing director of Texaco in re-elected to the board of directors of TRANSCO COMPANIES. Jordan jr. a partner in the Washington, DC, and Dallas, Texas, law firm of Akin Gump Strauss Hauer and Feld, a member of its board. Mr Jordan served as president of the National Urban League Inc. from 1972 until late last year.

CITY NATIONAL BANK has made the following promotions:
Ms Corinne C. Sernick has been
promoted to assistant vicepresident — distribution shift
manager; Mr Phillip K. Settles has been appointed assistant vice-president in the systems and programming area; Mr James C. Hammersmith has become essistant vice-president — commercial loan officer II.

CATHAY PACIFIC AIRWAYS bas appointed Mr D. A. Gledbill

to the board. He holds senior executive directorships in a associated companies. Cathay Pacific has also appointed five senior executives as general managers of the company. They relinquished the chairmanship of are Captain G. J. Gratwick, Computator but remains on its general manager flying; Mr R. J. Holdings.

Mr Peter Riches has been appointed manager of expleration for TEXACO NORTH SEA NORWAY. He will be hased at affairs: and Mr R. T. Stilliand to the state of the stat

senior vice-president at Ashland

BANCO DO COMMERCIO E INDUSTRIA DE SAO PAULO has appointed Mr Simon Paul as its senior representative in Paris. Mr Paul was regional manager for Brazil with National West-minster Bank in London. Mr Philippe Sedmoni, previously with Banque NMB-Interunion, has also joined COMIND as the deputy representative in Paris with responsibilities for correspondent banking in the Middle

CHERRY ELECTRICAL PRO-DUCTS INC, bas appointed Mr Peter Cherry president and chief operating officer. He replaces his father. Mr Walter Cherry, founder of the company, who continues as chairman and chief .. executive officer.

• Mr Leonardo Cabaliero, deputy

nanaging director of Banco Jrquijo Hispano Americano, Urquijo Hispano Americano, Union Bank of Nigeria. London, has been appointed Union Bank of Nigeria. director regional of BANCO Mr. M. J. Drabbe, general HISPANO AMERICANO, Bar. manager of AMSTERDAM BANK in Americano Manager of the interceiona, responsible for Camiuna and The Balearic Islands. Mr Henri J. G. Chalhoub has been appointed chairman and chief executive of MEPA GROUP HOLDING, which has been formed towards consolidating his insurance interests throughout Europe, Middle-East and Africa,

of the group are Mr R. J. Cleland (executive vice president). Mr R. H. Harfouche (vice-pre legal) and Mr E. J. Papasie

(vice-president—technical).

Mr Jan Hörafeldt, general manager of SKF STEED Hillefors, Sweden, has been appointed general manager of ASEA's process industries divi-sion, Vasteras. He succeeds Mr Olle Keding, who is taking a new assignment in ASEA.

Mr John Spencer, head of group finance and planning, Backers, Bank head office, London, has been appointed assistant has been appeared assistant general manager to the regional general manager Australasis, of BARCLAYS BANK INTERNATIONAL and deputy managing director, Barchays International Australia Mr. Eddie Cade, at present an executive director of the Union Bank of Mioragia will succeed Mr Spender

Nigenia, will succeed Mr Spendr as head of group finance.

Mr Peter Ford, general manager, Barclays Bank of the Netherlands Autilles, has been appointed an executive dire dam and head of the inte-national finance group has been appointed head of the international banking group as well. He succeeds Mr P. G. K. Costhuizen, who left the bank in settle abroad but who will remain an adviser of the babk

EUROBOND TURNOVER

(nominai vaine in \$m)

U.S. 3 bonds Last week.... Cedel

FT INTERNATIONAL BOND SERVICE U.S. NOLLAR



CREDIT COMMERCIAL DE FRANCE

One Billion US Dollars

Amount raised through Eurobond Issues run by Crédit Commercial de France in 1981.

CCF was fifth among international issuing houses by number of issues led.

European Investment Bank	US\$	100,000,000
Ireland.	US\$	50,000,000
Province of Newfoundland	US\$	60,000,000
*Lafarge Coppée	FF	190,000,000
Swedish Export Credit Corporation	FF	250,000,000
Petróleos Mexicanos	US\$	125,000,000
Lafarge Coppée	US\$	40,000,000
Caisse Centrale de Coopération Économique	US\$	100,000,000
Province of Newfoundland	US\$	60,000,000
Municipal Finance Authority of British Columbia	US\$	54,000,000
Nacional Financiera, S.A.	US\$	150,000,000
Caisse Française des Matières Premières	US\$	100,000,000
Newfoundland and Labrador Hydro	USS	75.000.000

Convertible Issue

STRAIGHTS.	lagued	Bid Offer day week Yield
Anheuser-Bush 16% 88	100	102 1024 404 404 15 88
APS Fin. Co. 174 86 Armco O/S Fin. 154 86 Bank Montreal 184 91	60 50	103 ¹ , 104 +0 ¹ , +0 ¹ , 15.98 90 ¹ , 99 ¹ , 0 +0 ¹ , 15.53 99 ¹ , 100 ¹ , 0 +0 ¹ , 16.22
Bank Montreal 184 91	150	99% 100% 0 +0% 16.22
8r. Colum. Hyd. 184 88	100	101 1014 +O4 +O4 15.88
8r. Colum. Mla. 17 67 Can. Nat. Reil 14% 91	100	1031, 1031, -01, +01, 18.35
Cateroiller Fin. 164 88	100	925 935 +05 -05 16.09
Caterpiller Fin. 162 86 CFMP 163 96	109	1011 10172 +01 +01 15.92 1011 1021 0 +01 18.35
CISC 164 91	100	1031, 1011, +01, 0 16.48 1031, 1031, -01, +01, 15.61
Cities Service 17 88	150 150	104% 104% -0% +0% 15.79
Cities Service 17 88 ConaSethurst 17 88	60	104½ 104½ -0½ +0½ 15.79 103½ 104 +0½ +0½ 16.49 104½ 105 -0½ -0½ 16.17
CPC Fin. 164 86 Oupant 0/\$ 144 88	50 400	1044 105 -U ₈ -U ₈ 16.17
EI8 1612 88	100	96% 97% +0% +0% 15.20 100% 100% -0% +0% 16.27
	100	1007- 1011 0 -01 4C 40
GMAC 0/S Fin. 16 ¹ / ₂ 64 Gull States 0/S 17 ¹ / ₂ 88 Net. 6k. Canada 16 ¹ / ₂ 88 Net. West. 14 ¹ / ₄ 91 New Brunswick 17 88	300	100\(^101\)\(^1\)\
Net. 6k. Canada 161-88	60 40	1004 1007 +04 +04 17 02
Net. West. 144 91	100	954 954 0 -04 15.65
New Srunswick 17 88 Newfoundland 174 89	80	104 104% -0% +0% 15.86
Naw & Lab. Hv. 174 88	75	1031 104 -04 +04 15 22
Naw & Lab. Hy. 174 88 Ohio Edison Fln. 174 88	75	1034 1034 -01 +01 18.56
OKG 15½ 97	50 200	1034 1034 -04 +04 18.56 974 98 +04 +04 16.13 100 1004 +04 +04 15.91
Pac. Gea & El. 151 89	80	1014 1014 0 -1 15.41
Quebec Hydro. 174 91	150	
Quabec Provinco 15% 89 Sasketchowen 16% 86	150 190	96's 96's -0's -0's 16.07
Shell Canada 15% 91	100	99% 100% 0 -0% 15.67
Statalometag 15% 87	50	1034 1034 16.48 964 965 16.07 1002 101 + 15.07 997 1003 0 15.67 998 99 0 + 16.13 933 931 01 0 12 27
Swaden 147, 88 Swed. Ex. Crad. 167, 93	150 75	921 931 - 04 0 16.27 1011 1017 - 01 - 04 16.16
Tanneco Int. 17 89	100	4004 4044 101 101 40 40
Tasas Eastern 1572 88	75	99 99% -04 +04 15.97
Transcenede 1/4 88	75 100	1054 1064 + 04 + 04 18.14 1
Transceneda 173 88 Transceneda 15 89 Well Oisney 153 86	100	934 937 - 03 + 03 10.03 934 937 - 03 + 03 15.97 1054 1064 + 04 + 04 18.14 934 1004 0 + 04 15.39 1004 1014 0 - 04 15.39 1024 103 0 + 04 16.05
Winnipeg 17 86	50 50	
Winnipeg 15 2, 86 Winnipeg 17 86 WMC Fin. 15 2, 88 World 6ank 16 88 World 8ank 16 2, 85 World 8ank 16 2, 88	80	95°, 96° -0° +0°, 16.32 99°, 100 +0°, 0 18.00
World 8ank 1612 86	130	102 .102% +04 +04 15.71
World Sank 1612 88	_100	100½ 101 0 -0½ 15.24 hi day 0 on week +0%
OEUTSCHE MARK	U	
6TRAIGHTS	Issued	Change on Bid Offer day week Yield
Asian Dev. 6enk 10 61 Aaian Oev. 8enk 10 89	100	Bid Offer day week Yield 987, 99% +07, -07, 10.12
Agian Usv. Bank 10% 89	100 300	1014 1022 + 04 + 04 10.32
Australia 94 91 8 olgaloctric 11 61	100	1013 1021 0 +01 10 88
CECA 10 81 Coun. of Europo 10 91	120	1013 1023 +01, +01, 6.69
Coun. of Europe 104 91	100 100	99% 100% -0% -0% 9.99 160% 100% +0% +0% 70.03
EEC 103 93	100	100% 100% -0% +0% 70.04
EI8 87, 90	200 200	911 921 0 +01 9.90
Finland, Rep. of 1012 86	100	100% 101% +0% +0% 70.27
Inter-Amarican 10 91	100	997 1007 +04 0 9.95
Inter-Amarican 10°s 91 Ireland 10°s 86	100 100	100-1 100-1 -0-1 -0-1 10.03 100-1 100-1 -0-1 -0-1 10.04 101-1 102-1 0 -0-1 10.10 101-1 102-1 0 -0-1 10.10 100-1 101-1 +0-1 +0-1 10.27 100-1 100-1 +0-1 -0-1 10.13 100-1 100-1 +0-1 -0-1 10.13 100-1 100-1 +0-1 -0-1 10.18 100-1 100-1 +0-1 +0-1 10.18 100-1 100-1 +0-1 +0-1 10.18 100-1 100-1 +0-1 +0-1 10.18 100-1 100-1 +0-1 +0-1 9.00
Japan Air Linea 61 87 Midlend Inl. Fin. 81 90	100	951 957 0 -01 9.14
Midland Inl. Fin. Bt 90	180 100	934 94 +04 +04 9.60
Mt. 6k. Onmk. 10% 61 New Zealand 9% 88	200	100 1001, +01 +01 10.44 100 1001, 0 0 6.89
OK8 104 91	150	100% 100% 0 0 10.03
Quobec Hydro 104 91 Rangult Acot. 104 88	150 150	1024 1024 +04 +07 9.85 1004 1007 0 0 10.56
Swed. Ex. Cred. 104 91	100	991-100 -105-10-20 I
World 8ank 10 61	250	100% 100% +0% +0% 9.9% [
	Jes 0	n day +0's on week +0's
SWISS FRANC STRAIGHTS	esued	Change on I Bid Offer day week Yield
Aaroport Poris 62 91	50	947 947 -04 -04 7.33
Asian Cev. 6enk 8 90	80 100	1011 1011 0 -01 7.73 94% 9504 -04 7.29
SFCE 61/2 91	103	1013 1017 0 +0 7.48
6all Canada 74 93 6argen, City of 63 91	100	1013, 1017, 0 +03, 7.48 1051, 1051, +04, 0 8.55 1003, 1007, +03, +04, 6.63
6argan, City of 63, 91 8et. de Autopistas 8 90	40 50 1	100% 100% +0% +0% 6.63 }
CECA 84 91		110071004 0 0 1.30 (
	80	997 1001 +01 +01 6.74
Nome Petroleum 54 91	90 100	997, 1007, +07, +05, 6.74 94 947, +07, +07, 8.88
Doma Petroleum 54 91 Doma Petroleum 74 90	90 100 100	997, 1001, +01, +01, 6.74 94 941, +01, +01, 8.88 1031, 1031, -01, -01, 6.67
Franc. Politoles 62, 91	90 100 100 80	99° 100° 100° 10° 10° 10° 10° 10° 10° 10°
Franc. Potroles 62, 91 Gonster 7 \$1	90 100 100	99', 100', +0', +0', 6.74 94 94', +0', +0', 8.88 103', 103', -0', -0', 6.77 96 96', -0', -0', 7.08 101', 102', -0', -0', 6.70
Poma Petroleum 74 90 Franc. Politoles 62 91 Gonster 7 \$1	90 100 100 80 100 100	85, 100, +04, +05, 6.74 94, 941, +01, +02, 8.88 103, 103, -03, -03, -03, 6.7 96, 962, -03, -03, 6.70 107, 102, -03, -03, 6.70 93, 93, +03, +03, 7.11 105, 105, +04, +04, 7.72
Doma Petroleum 74 90 Franc. Polroles 62 91. Gonster 7 91 Int. Amor. Dv. Bk. 7 9. I/S Elsam 84 91 Japan Air Lines 74 91 Nedes Gorylos 8 81	90 100 100 80 100 100 60	85, 100, +04, +05, 6.74 94, 941, +01, +02, 8.88 103, 103, -03, -03, -03, 6.7 96, 962, -03, -03, 6.70 107, 102, -03, -03, 6.70 93, 93, +03, +03, 7.11 105, 105, +04, +04, 7.72
Doma Petroleum 74 90 Franc. Polroles 62 91. Gonster 7 91 Int. Amor. Dv. Bk. 7 9. I/S Elsam 84 91 Japan Air Lines 74 91 Nedes Gorylos 8 81	90 100 100 80 100 100	897, 1007, +0%, +0%, 6.74 84 947, +0%, +07, 8.88 1037, 103%, -0%, -0%, 6.67 98 967, -0%, -0%, 6.70 981, 102%, -0%, -0%, 6.70 983, 384, +0%, +0%, 7.72 104 104%, 0 -0%, 6.66 106%, 106%, +0%, +0%, 7.05
Doma Petroleum 74 90 Franc. Polroles 62 91. Gonster 7 81	90 100 100 80 100 100 60 100 100 100	85, 100, +04, +05, 6.74 94 941, +01, +02, 8.88 103, 1031, -01, -01, 6.67 96 962, -01, -01, 6.70 931, 1021, -03, -04, 6.70 931, 1021, -03, -04, 7.11 105 1051, +02, +03, 7.12 104 1061, 1061, +02, 7.05 1061, 1063, +04, +03, 7.05 991, 992, -03, -04, 7.08 101 1011, +01, +02, 7.08
Doma Petroleum 74 90 Franc. Poliroles 62 91. Gonster 7 91	90 100 100 80 100 100 60 100 100 100 100	897, 1007, +0%, +0%, 6.74 84 947, +0%, +07, 8.88 1032, 1033, -0%, -0%, 6.67 98 947, -0%, -0%, 6.70 981, 1023, -0%, -0%, 6.70 983, 384, +0%, +0%, 7.72 104 104%, 0 -0%, 6.66 106%, 104%, +0%, +0%, 7.03 991, 993, -0%, -0%, 7.08 105%, 105%, +0%, +0%, 7.08 105%, 105%, +0%, +0%, 7.08 105%, 105%, 0 +0%, 7.16
Doma Petroleum 74 90 Franc. Polroles 62 91. Gonster 7 81	90 100 100 80 100 100 60 100 100 100 100 100	89, 100, +04, +05, 6.74 94, +05, +07, 8.83 103, 103, -04, -07, 6.67 96 96, -04, -04, -07, 6.70 93, 33, +07, +04, 7.11 105 105, +04, +07, 7.72 104 104, 0 -04, 6.65 105, 105, +04, +07, 7.05 99, 39, -27, -07, -07, 6.65 105, 105, +07, +07, 7.05 101 101, +05, +07, 7.08 105, 105, +07, +07, 7.08 105, 105, +07, +07, 7.08 105, 105, +07, +07, 7.08
Doma Petroleum 74, 90 Franc. Polroles 62, 91. Gonster 7 81	100 100 100 80 100 100 100 100 100 100 20 75 50	897, 1007, +0%, +0%, 6.74 84 947, +0%, +07, 8.88 1032, 1033, -0%, -0%, -0%, 6.67 98 947, -0%, -0%, -0%, 6.70 981, 1023, -0%, -0%, 6.70 983, 384, +0%, +0%, 7.72 104 104%, 0 -0%, 6.65 1051, 1053, +0%, +0%, 7.03 1051, 1053, +0%, +0%, 7.08 1051, 1057, -0%, -0%, 7.08 1051, 1053, +0%, +0%, 7.73 971, 28 +0%, -0%, 7.88 1051, 1064, -0%, 7.88 1051, 1064, -0%, 7.88
Doma Petroleum 7½ 90 Franc. Polroles 6½ 91. Gonster 7 81	100 100 100 100 100 100 100 100 100 100	89', 100', +0', +0', 6.74 94', 94', +0', +0', 8.83 103', 103', -0', -0', 6.67 96', -0', -0', -0', 6.70 99', 39', -0', -0', 6.70 99', 39', +0', +0', 7.11 105', +0', +0', 7.72 104', 106', +0', +0', 7.05 106', 106', +0', +0', 7.05 99', 39', -0', -0', 7.08 105', 105', 0 +0', 7.08 105', 105', 0 +0', 7.16 105', 105', -0', 7.38 105', 106', 0 -0', 7.38 105', 106', 0 -0', 7.38 105', 106', 0 -0', 7.25 105', -0', -0', -0', 6.80
Doma Petroleum 7½ 90 Franc. Polroles 6½ 91. Gonster 7 81	100 100 100 100 100 60 100 100 100 100 20 75 50 100	897, 1007, +0%, +0%, 6.74 84 947, +0%, +07, 8.88 1037, 103%, -0%, -0%, -6,67 96 967, -0%, -0%, -6,70 98 107%, 102%, -0%, -0%, 6.70 983, 393, +0%, +0%, -7,11 105 105%, +0%, +0%, 7,72 104 106%, 0 -0%, 5.66 106%, 106%, +0%, +0%, 7,05 199%, 99%, -0%, -0%, 5.66 105%, 105%, +0%, +0%, 7,08 105%, 105%, +0%, +0%, 7,08 105%, 105%, -0%, -0%, 5.80 105%, 105%, -0%, -0%, 6.80 105%, 105%, -0%, -0%, 6.80 192%, 93 0 -1 7,11
Doma Petroleum 7½ 90 Franc. Poloroles 6½ 91 Gonster 7 81	100 100 80 100 100 100 100 100 100 100 1	897, 1007, +0%, +0%, 6,74 941, +0%, +0%, 8.83 1032, 1033, -0%, -0%, 6,67 96, 967, -0%, -0%, 6,70 993, 934, +0%, +0%, 7.11 105, 1057, +0%, +0%, 7.72 104, 1043, 0 -0%, 6,66 1051, 1053, +0%, +0%, 7.05 991, 993, -0%, -0%, 7.08 1051, 1052, +0%, +0%, 7.08 1053, 1057, 0 +0%, 7.08 1051, 1052, +0%, +0%, 7.38 1051, 1053, +0%, +0%, 7.38 1051, 1053, +0%, -0%, 6,80 1927, 93 0 -1 7.11 394, 984, +0%, -1%, 7.08 1041, 1042, -0%, -0%, 7.39
Doma Petroleum 7½ 90 Franc. Poloroles 6½ 91 Gonster 7 81	100 100 80 100 100 100 100 100 100 100 1	897, 1007, +0%, +0%, 6.74 84 947, +0%, +0°, 8.88 1032, 1033, -0%, -0%, -0%, 6.67 98 947, -0%, -0%, 6.70 98 947, -0%, -0%, 6.70 98 984, -0%, -0%, 6.70 1051, 1025, +0%, +0%, 7.72 104 1047, 0 -0%, 6.66 1051, 1053, +0%, +0%, 7.08 101 1012, +0°, +0%, 7.08 101 1012, +0°, +0%, 7.08 105, 1057, 0 +0%, 7.88 105, 1057, 0 +0%, 7.88 105, 1053, 0 -0%, 6.80 1927, 93 0 -0%, 6.80 1927, 93 0 -1%, 7.08
Doma Petroleum 74, 90 Franc. Polroles 62, 91. Gonster 7 81	80 100 80 100 100 100 100 100 100 100 20 75 50 100 100 100 100 100 100 100 100 100	897, 1007, +0%, +0%, 6,74 941, +0%, +0%, 8.83 1032, 1033, -0%, -0%, 6,67 96, 967, -0%, -0%, 6,70 993, 934, +0%, +0%, 7.11 105, 1057, +0%, +0%, 7.72 104, 1043, 0 -0%, 6,66 1051, 1053, +0%, +0%, 7.05 991, 993, -0%, -0%, 7.08 1051, 1052, +0%, +0%, 7.08 1053, 1057, 0 +0%, 7.08 1051, 1052, +0%, +0%, 7.38 1051, 1053, +0%, +0%, 7.38 1051, 1053, +0%, -0%, 6,80 1927, 93 0 -1 7.11 394, 984, +0%, -1%, 7.08 1041, 1042, -0%, -0%, 7.39

99¹, 100², 91¹, 92¹, 98¹, 99¹, 99⁷, 100⁷, 102¹, 103¹, 100¹, 101¹,

	OTHER STRAIGHTS Issued Bid Offer day week Yield	
	OTHER STRAIGHTS Issued Bid Offer day week Yield Can. Utilities 17 96 Cs 50 1972 982 404 +04 +04 17.36 Federal Oov. 172 86 CS 40 11023 1033 0 +04 16.77	
	Federal Oov. 174 86 C\$ 40 11024 1034 0 +04 15.71 GMAC (Can.) 18 87 C\$ 60 11054 1064 +04 +2 18.23	
	Personalism 161 99 Cm ee 'Ang emi	
	Oueb. Urban 16% 86 Cs 20 +100% 101% +0% +0% 78.48	
- (Roynat 174 88 CS 40 11014 1012 0 1-04 15.74 Tordom Cpn. 134 85 C\$ 30 1334 944 0 +04 15.88	
Į	M. Bk. Dnmk. 9 91 EUA 25 831, 86 0 -01, 11.78	
1	SOFTE 84 89 EUA 40 783 793 +01 +03 12.90	
_]	U. 8k. Nwy. 9- 90 EUA 18 91- 22- 0 +0- 11.01 Algemene 6k. 10- 88 Fl 60 97- 98- 0 0 10.90 Amias Group 12- 86 Fl 40 102- 103- +0- 11.38	
- 1	Algemens 6k, 10-, 88 Fl 60 57-, 58-, 0 0 10.90 Amlas Group 12-, 86 Fl 40 102-, 103-, +0-, +0-, 11.38	
- 1	Amro Bank 12 88 Fl 75 1013 1013 -03 -04 11.50	
- 1	Amon Damb 47 00 El 60 sost sost o ol 44 Es	
- 1	Heineken NV 10 87 Fl 100. 967, 977, →04, 0 70:389	
- 1	Pierson: 10's, 86 Fl 50 97%, 98%, -6%, -6%, 10.86 Rabobank 12 86 Fl 50 101%, 102 +0%, -0%, 11:42	
-1	Air France 14-2 60 FFT 200 33-2 34-2 0 0 10.05	
- 1	8k. America 141, 86 FFr 250 921, 981, -01, -01, 16.88	
- 1	Chorb nages 137, 85 FFr 400 93 94 0 0 16.22 E16 147 88 FFr 300 894 904 0 -04, 16.94	:
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1	OK 6 14 86 FFr 400 923 933 0 +03 76 47	
1	Solvey et C. 14% 86 FFr 200 92% 83% 0 -0% 17.29 Swed, E. Cr. 14% 88 FFr 250 917, 927, 11 -0% 17.25	
1.	U. Mex. Ste. 14 85 FFr 150 . 91, 92, 0 -0, 17.39	١
1	Acons 14 85 £ 20 903 913 +05 +05 17 39	ı
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ŀ	CECA 134 88 F 70 881 895 401 401 18 18	J
1	Citicom 0 /5 122 90 F E0 991 997 A J-01 46 00	ļ
1	Citicomp 0/S 13 ² , 90 £ 50 88 ² , 89 ² , 0 +0 ² , 16,08 Fin. Ex. Cred. 13 ³ , 88 £ 15 80 ³ , 91 ³ , +0 ³ , +0 ³ , 16,95 Gon. Flec. Co. 12 ³ , 89 £ 50 85 ³ , 86 ³ , +0 ³ , +0 ³ , +0 ³ , 15,85	ĺ
	Gon. Elec. Co. 12 ¹ / ₂ 89 £ 50 85 ¹ / ₄ 86 ¹ / ₂ +0 ¹ / ₅ +0 ¹ / ₆ 15.85 Hiram Walker 14 ¹ / ₄ 86 £ 25 93 ¹ / ₆ 93 ¹ / ₂ -0 ¹ / ₂ 0 16.43	ł
	Private to the REF 17 1991 GOL LOL _ALTER	١
1		ł
1	Royal Trustco 14 86 £ 12 927, 937, 0 +01, 18,35 Swed. Ex. Cr. 131, 86 £ 20 907, 911, 0 +01, 16,80	Ì
1	Akzo 94 87 LuxFr 500 854 854 +04 +04 12.88	ļ
	Eurotom 94, 88 LuxFr 500 867; 877, 0 +12, 12.51 Eurotims 101, 87 LuxFr 500 921, 831, +01, +05, 12.34	ĺ
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}	Volvo 94 87 Lus Fr 500 86 87 -04 13.18	1
	FLOATING RATE	ŀ
1	NOTES Spread Bid Offer C. dte C.con C. vid 1	ľ
1	Sank of Montreal 54, 90 04, 994, 997, 18/6 144, 14, 30 6enk of Montreal 54, 91 04, 997, 997, 29/4 17,06 17,13	ŀ
1		l
1	0k. Nove Scotte 54 93 04 994 100 29/4 17 06 17 11	ļ.
ı	BFCE 54 88 04 994 100 26/4 16 94 15 98	L
1	Christiania 8k. 55 9t 105 88% 99% 5/2 15 54 16 74	ŀ
J.	CO-BRE FUTONE 54- 91 OR. 981. 901. 44/4. 46 00 46 00	l
1.	Confinence 51. 97 M DOI ON SAID CO 1	ŀ
П	Giro und 8ank 54 91 104 967, 991 23/3 14.06 14.19	
П	GZB 54 92	ì
ı	Lioyda Euronn 54 83 504 99-100 29/6 17/12 17/17	١.
L	LICX JEDER 54 89 III. UP. 001 48 79 45 86 45 66 1	i
Ι.	Nacional Fin. 53 88 05 973 981 9679 9731 17 80	1
ı	Nat. 8k. Canada 54, 88 04, 999, 1604, 24/3, 17.21, 17.23 Nat. West. Fin. 54, 91 502, 98, 984, 1577, 15.19, 16.30	ŀ
ı	Net. West. Fin. 5 ¹ ₈ 91 90 ¹ ₂ 98 99 ¹ ₂ 15/7 15.19 16.30 Nat. West. Fin. 5 ¹ ₈ 92 50 ¹ ₈ 99 ¹ ₂ 100 23/4 17 17.04	
1	Nat. West. Fin. 5 ¹ , 92 50 ³ , 98 ³ , 100 23 ⁷ , 477 17.06 Nordic Int. Fin. 5 ³ , 91 0 ¹ , 98 ³ , 98 ³ , 87, 5/5 15 ³ , 15.84 Offshore Mining 5 ³ , 61 0 ³ , 86 ³ , 28 ³ , 2/6 13 13.21	
1	Offahore Mining 5 61 02 861 985 2/6 13 13.21	ŀ
1	PKbankan 5 91 02 962 394 17/6 167 14.52	
1.	Section of the St. 02 1984 1001 24/3 172 17.27	Ė
Ŀ	Sec. Pacific 54 91 04 984 987 2875 421. 72 82	ì
ŀ	Nordic Int. Fin. 5 ¹ , 91. 0 ¹ , 98 ¹ , 88 ¹ , 2/6 13 13.21 Pemex 6 91 0 ¹ , 97 ¹ , 97 ¹ , 88 ¹ , 2/6 13 13.21 PKbankan 5 91 0 ¹ , 97 ¹ , 97 ¹ , 8/4 17 17.41 PKbankan 5 91 0 ¹ , 98 ¹ , 17/6 18 ¹ , 14/52 9anwa Int. Fin. 5 ¹ , 88. 0 ¹ , 198 ¹ , 100 ¹ , 24/3 77 ¹ , 17.27. Scotland Int. 5 ¹ , 82. 0 ¹ , 98, 100 ¹ , 24/3 77 ¹ , 17.27. Scotland Int. 5 ¹ , 82. 0 ¹ , 98, 88 ¹ , 24/3 13.41 14.19 Scotland Int. 5 ¹ , 97 98, 88 ¹ , 24/1 13.43 13.43 Society Generale 5 ¹ , 91 0 ¹ , 98 ¹ , 88 ¹ , 21/6 14.44 14.58 Standord Chert. 5 ¹ , 91 0 ¹ , 97 ¹ , 98 ¹ , 18/5 13.31 13.57	
ł	Sparebankan 8 87 01 981 991 21/6 14.44 14.58	
l		ŕ
(Average price changes On day 1 on week 0	
1	BONDS date price Bid Offer day Prem	
	Bow Valley Inv. 6 95	
	Canon 67, 95 1/81 899 1997 0147 141	_
1	CONVENTIBLE Criv. Criv. Chg.— BONDS date prico. Bid-Offer day. Prem Ajinomoto 514 96	
1	Furnicawa Flor 52. 9810/81 6770 1117, 1137, +23, 5.17	
1	Hanson O/S Fin, 92, 96 8/81 274 425 41 1.87	٠.
1	Hitachi Cred. Cpn. 5 96 7/81 1773 912 921 412 9 ng	
1	Ingacape 8 95	
Į	Marui B 96 7/91 229 82 83 +0 5.96	
1	Matsushita El. 74 9511/80 590 92 105 1 105 2 06 4	
].	Minoita Comere 5 96 10/81 909 734, 747, ±2 10.85	
1	NKK 67, 96	
1	Nippon Chemi-C. 5 9110/81 918 475 77 -1 2 84	
ļ	Sanvo Electric 5 98 8/80 604 1754 1172 +5 6.52	
1	Sumitomo Met. 51, 96, 10/81 252 802, 824, ±2 11,73	•
1	3wisa 8k, Con. 64 90 9/80 191 172 74 0 10.50	
	Trensco int 69 95 90 1/81 4.94 183- 845 +04 -0.54	٠
١.	Tricom 87 96 2/81 31 35 00001 65 -01 27.91	٠,
١.	Union Bk. Switz. 5 89 2/8070.79 182 - 20 5.08	,
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	The Financial Times Ltd., 1982. Reproduction in whols of in part in any form not parmitted without written consont. Date supplied by OATASTREAM interhational.	

Previous week 3,619.6 Other bonds 793.A Last week Previous week 1,279.6 * No information availableprevious day's price. † Only one market maker supplied a price : STRAIGHT BONDS: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency mits except for Yen bonds where it is in billions Change in week = Change over price a week earlier. FLOATING RATE NOTES
Denominated in dollars unless otherwise indicated Coupon shown is minimum. C.dte=Date next: coupon becomes effective. Spread=Margin above six-modin offered rate (#three-month; \$above maan rate) for U.S. dollars. C.cpn = The current coupon. C.yld = The current CONVERTIBLE BONDS: De convertibile BONDS: De-nominated In dollars unless otherwise indicated. Chg.day= Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Per-century of the current centage premium of the current effective price of acquiring most recent price of the shares. The list shows the 200 latest international bonds for which an adequate secondary market exists. The prices over the past week were supplied by Krediethank NV Credit Commercial de France, Credit Lyonnais, Commercial de France, Credit Lyonnais, Commercial de Grosente de Landesbank AG; Westdeutsche Landesbank Generale Girozentrale Banque Generale du Luxembourg SA; Banque Internationala Luxembourg Internationala, Luxembours, Kredietban Luxembours, Algemene Bank Nederland NV. Pierson, Heldring and Pierson, Credit Suisse/Swiss Credit Bank. Union Bank of Switzerland, Akroyd and Smithers; Bankers Trust International; Credit Com-mercial de France (Securities) London: Citicarp International Bank, Daiwa Europe NV, Deltec Sacurities (UK); EBC; First Chicago: Goldman Sachs Inter-national Corporation: Hambios Banks IBJ International; Kidder Peabody International; Manufac turers Hanover, Merrill Lynch Morgan Stanley International Micko Securities Company, (Ecope) Orion Royal Bank Selomon Brothers International Samuel Montagu, and Co. Scandist Royal Security Print Company Co.

> Warning and Co. Wood Gundy. Closing prices on January 2

dinavian Bank, Spciete Generale Strauss Turnbull Summer Figures International S G

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Commons: Dehales on need for Government aid for heating bills, and the steel industry; Child Benefit (Claims and Payments) Amendment Regula-

Lords: Mental (Amendment) Bill Committee : Shipbuilding Bill, Second Read-

Select Committees: Treasury and Civil Service. Subject: The Armstrong Committee Report. Budgetary Reform in the UK." Witnesses: Treasury officials (Room 15, 4,30 pm). Foreign Affairs. Subject: Caribbean and Central America — British aproach to stability, security and development, Witness: Mr D. Gray (Room 8, 4.45 pm).
Public Accounts, Subject: Protisinn of army vehicle assemblies. Witness: Sir Frank
Cooper, Permanent Under-Cooper, Permanent Under-Secretary of Siste, Ministry of Defence, (Rnom 16, 4.45 pm).

TOMORROW Commons: New Towns Bill, Second Reading: Transport (Finance) Bill, remaining (Finance) Bill. slages: Rates Amendment **fNorthern** Irelandt Order. - Lords: Currency Bill, Second Reading: Civic Government (Scotland) Bill, Committee: Civil Aviation (Amendmenti Bill, Committee. Select Committees: Defence.

Jan 29-31 Feh 5-14

Feb 10-13

Subject: Ministry of Defence, Organisation and Procurement, Wilnesses: Ministry of Defence. (Room 15, 10.30 am). Environment. Subject: Private Rented Housing Sector Witnesses: Paddington Federation of Residents and Tenants Association 14.0 pm1: Westminster City Council (5.0 pm), (Room 16, 4.0 pm), Joint Computee on 40 pmi. Joini Comonitee on Social Services, Subject: Age of relirement. Witnesses, Society 4.15 pm).

WEDNESDAY Commons: Dehale no employ-

Lords: Dehates on the European Monetary System; inner Lundon traffic congestion; and Scotland's miseums galleries.

Co. (Ruom 15, 111.30 am), Welsh Affairs, Subject: Water in Wales, Witnesses: Water Con-sumer Lounvil (Room 18, 10.30 ject: British Leyland's Corpor-ate Plan. Witness: Sir Michael Edwardes (Room 16, 10.45 am). Home Affairs, Subject: Police complaints procedure. Witnesses: National Council for Civil Liberties, (Room 8, (1.0 amit, Public Accounts, Subject: Estimating, monitoring and control of expenditure, Witness: Bills,

Sir Frank Cooper. Permanent Under-Secretary of State, Ministry of Defence, (Room 16. 4.0 pm). European Legislation. Subject: European Regional Development Fund. Wilnesses: Mr Norman Lamont. Minister of State for Industry and officials from the Department of Indus(ry. (Room 6, 4,30 pm). of Pension Consultants, (Room 21, 5.0 pm).

THURSDAY Commons: Debate on the Covernment's economic policy.

Lords: Harbours 1Scotland) Bill, Third Reading: Fire Service College Board (Aholition) Bill. Third Reading: Sex Dis-crimination (Ameodment) Bill. Select Committees: Defence.
Subject: Ministry of Defence.
Organisation and Procurement.
Witnesses: Vickers: The Plessey
Witnesses: Vickers: The Plessey

Bill. Third Reading: Sex Discrimination (Amendment) Bill.
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Third Reading: Sex Discrimination (Amendment) Bill.
Third Reading: Sex Discrimination (Amendment) Bill.
Third Reading: Social Security (Contributions) Bill.
Third Reading: Sex Discrimination (Amendment) Bill.
Third Reading: tee; Civil Aviation tAmend-ment) Bill. Report and Third Reading: Pet Animals Act (Amendment) Bill. Second

> Select Committee: Agriculture. Subject: Less (avoured areas, Witnesses: Cnunty Landowners' Association: Scottish Landowners' Federation: Smallfarmers' Association, (Room 16, 11.0 amt.

FRIDAY Commings: Private Members

Winter Gardeos, Eastbourne

Wembley Conference Centre

Exhibition Centre, Harrogate

Barbiean Exhibition Centre

Wembley Conference Centre

Assembly Rooms, Worthing

Heathrow Hatel Kelvin Hall, Glasgow

Exhibition Centre, Bristol

American Emhassy NEC Rirmingham

Earls Court

Olympia

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The board meetings are mainly for the purpose of considering dividends and official indications are not always available whether dividends concerned are interims or finals. The sub-divisions shown below are based mainly on last year's timetable.

TODAY SOARO MELTINGS-Weithing Eng.
OIVIDEND & INTEREST PAYMENTS— Alexanders Discount Allies Textile tmperal Bank of Commerce Interiors in the state of the s Ob. Pri. 20:

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Cooper Frederay I. The Goldstorn Hotel, Penn Rad, Wolvesthangton, 12 00
History Brewer, Adelphi Hotel, Lime Street Liversoon Hotel, Lime Provided Street, E.C., 12 00
Peisant Motur, Two Gales, Tomworth, Stahandshre, 12 00
Williams, John to Cardiff, The Royal Hotel St. Mar / Street, Cardiff, 2 50
Internation MEETINGS. between John London Indo-Brown John Indo-London Indo-Necrosof English and European Textiles Spotted English and European Textiles unnet Hidgs, Go Ins Del Mar Cibilet Spe Ipaw Spc) Silg Ln. (Assd. 1948) 2 .00

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TOMDRROW

COMPANY MEETINGS—
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WEDNESDAY JANUARY 27

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THUYSDAY JAMMAGY 28

COMPANY MEETINGS—
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Caustro, Sir Joseph Cruston Moret,
More R. C. 11/38

Kington, C. & Sir Isla Bank M.J.; Keith
11/39 Frede Change Park Hotels, Hull, 19,30 Mr.Dougell, The Dorchester ri W 12 Cd Winnertor House 1 On Francis Street E C 12,00 1 Francis Street E C 12,00 1 Francis Street E C 12,00 1 Francis Street Contract Street 1 Contract Street Contract Street

TO 1000 MEETINGS—Finals, Finals, Every Health, Hill and Smith I Health State Francis Ed., Warrer, Est.

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SUNDAY JANUARY 71
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Business game semi-finals

TWENTY-FIVE teams from 15 universities have made it to the semi-finals of the 1982 Inter-University Management Game and will play for £1,750 in the finals in London from April

Conditions in the postal game are as true to life as possible —the leans have been faced with a relentless slump and credit has been hard to come The organisers say inexpert cash management is a widespread problem with about Lomana inv. Tsl. 41.pcPri. 10 per cent of the "companies" going intu liquidatioo.

CONTRACTS AND TENDERS

Pay negotiations run into difficulties

INSURANCE

BY BRIAN GROOM, LABOUR STAFF

THE LAST THING the Brilish stoff could damage relations iosurance industry wants is a with their hard-bit industrial a bard winter. But some nego-tiations are beginning to run into trouble.

The Association of Scientific, dence that companies are assurance has been healthier attempting to impose a norm of about 8 per cent across the industry.

ASPME 1. Levision 1 to the companies and sectors—incompanies are assurance has been healthier attention non-life business—some general arguments on profit—ability baye emerged.

bonus scheme money of up to 2 per cent, which may be pay subject to sli able after the end of the year. many sectors. The result may be known today and the union will take rejection as a mandate for sanctions. The Association of Professional, Executive, Clerical and Computer Staff (Apex), representing 1,200 ont of General Accident's 10,300 staff, has already voted to begin a work-to-rule and overtime ban on February 1 if the company loes not indicate an improved offer by Thursday.

At Trade Indemnity, the credit losurance company. ASTMS members have threat- stages. ened sanctions if an 8 per cent offer is out improved. At the Edinburgh beadquarters of refusing to answer the telephone as a sanction against another 8 per cent offer. ASTMS feared before the

start of the round that political pressure would be pul 00 major companies to nrevent finance sector pay deals run-ning ahead of those elsewhere. Now Mr Peter Kennedy, national officer, says he is heariog many companie: arque that rises should be held down in curcome of this year's round the national interest. The national interest in the national interest.

ments is watched by negotiators cent.

in the politically sensitive clear.

Negotiations resume tomoring bank pay lalks, where an high seitlements with their own 1.5 per cent cash bonns.

difficult pay round as the com-posite companies prepare to Companies argue that there is posite companies prepare to Companies argue that there is report a likely fall in earnings no collusion, and that if some

Although the industry's per-Technical and Managerial Staffs formance varies between (ASTMS) claims there is evi-companies and sectors—life

ASTMS is balloting its 5,500 ASTMS says many companies members at General Accident have enjoyed a windfall on income from high cent increase, plus a 0.7 per cent lump sum to be paid in reply that inflation adversely july as a down payment on thous scheme more of the payment o affects other parts of their husiness, and that they are subject to slift competition in

Some contpanies believe they need to curb staff costs. Stock-brokers W. Greenwell showed recently that staff remuncra-tion rose by 23 per cent in nine major grnups to 1980, while UK premiums rose by only 19 per cent. Managers say the gap will have widened in 1981.

At General Accident, Apex has argued that the company is currently one of the most profilable, but that its offer is below seillements at less profitable companies to the round's earlier

ASTMS ocgoliated a 10.75 per cent rise ar Royal Insurance, and the Banking, Insurance and Sportish Provident Institution, Finance Union (Bifu) reached ASTMS members have been a deal at Eagle Star which involves a salary increase of 7 per cent, plus a 2.75 per cent to be paid in March. Bifu argues that, with extensions to the profit-sharing scheme. The package provides rises worth between 9.94 and 15.94 per cent.

. Uoion negoliators in compunies yet to begin pay talks know they will bave a hard time matching the Royal's 10.75 per cent. Managers believe the The level of incurance settle- inflalion, perbaps 8-10 per

row at another major company, uffer will be made this week, Gnardian Royal Exchange, Like the backs, insurance which has so far uffered Bifu companies are conscious that 6 per cent on salaries plus a

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BUSINESSMAN'S DIARY

UK TRADE FAIRS AND EXHIBITIONS

Date	Title			
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Feb 7-11	international	Spring Fair—Gi	ns 101-855 9	201)
Feb 9-12	information.	Technology and	Management	Ethini-
Feb 10-12		Conference—1NI		
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Feb 12-14	Crufts Dog Sh	166) Inly (01-493 7838	•	
Feb 14-17	International	Meo's and Boy	'e Wear Fr	hibition
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Feb 16-20	Ideal Home F	xhibition (0302	38475)	•••••
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Feb 28-Mar 4	International	Light Show 102-	8 SS3961	
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Bloomsbury Centre, Lundon

EXHIBITIONS Geneva Middle East Construction Exhin, and Conference 101-935 \$2001 [unit] Jan 281

Doit-yourself exhibition—KARWEI [01-486 1951] International Boat Show (01-486 1951) [International Boat Show (01-486 1951) [Internationa Dubal Utrecht

Equipment and agnaratus for drug production and lesting exhibition (01-235, 2423) Moscow International Trade Fair for Household Appliances, Fittings and components—DOMOTECHNICA

Olympia

Feb 15-15 and Silverware—INHORGENTA 101-486 1951)
Feb 15-15 Middle East Machine Maintenance, Light Engineering and Handling Show—MEM (01-486 1951) Feb 25-28 . . . Scamlings in Menswear Fair and Fashian Week Copenhagen (01-540 1101)

BUSINESS AND MANAGEMENT CONFERENCES

3ao 25-29	London Business School: Management within the
:Jao 25-29	law (01-162 5050)
	Manchester Business School: The Micro-chip Society—planning for the future 1061-832
• ma	79721
Jan 26	ESC: Pricing for profit (057282 2711)
Jao 27-29	ESOMAR/EFMA: How research can help financia organisations communicate internally and externally 101/251/45491
Jan 27-23	Meridian Conferences: Capitalise on Communications (01-670 5400)
Jao 28	Dun and Brudstreel: More Effective Collection Techniques for Credit Controllers and Super
Jao 23	visors (01-247 4377) Marketing Society: Medin—The Inside Traci
Feh 1-2	(01-542 5191) Metal Rulletin Congresses: Middle East Metal and Minerals (01-633 0525)
Feb 2	Oyez: Company Finance for the Executive Secretary (01-242-2481)
Feb 34	FT Conference: The Seventh Pensions Conference 101-621 13551
Feh 4	IPS Energy (0990 20711)
Feb 8	American Tax In-titute in Europe: Finance/Leasing under new U.S. tax laws (Paris 256, 33, 70).
Feb 9-12	INFO 82—The challenge of Information Tech nology (057282 2711)
Feb 9-10	FT Conference: The Euromarkets in 198 (01-621 1055)
Feh 9-17	Offshore South East Asia Conference (0) 546 5144
Feb 10-11	

Feb 13-16 Internsystemal Trade Fair for Watches, Jewellery

Spearhead Echibition: UK Offshore Safety Con-ferency (01-549-5831) Crown Eagle Communications: Gaining Value from Overhead Costs (01-636-0617)
Mills and Allen Communications: (1BT Techniques and Uses—An Appreciation (01-240-1307) The Economist: The World Market protectionism or enoperation and expansion? [III-839 7000]
The Ranker/OPC/LCCI: Growing Pains—Resolving Cannon Street, EC4
the problems facing international Banks of establishing and developing a physical presence in the City of London (01-629 2483).......

Regents Park, NW1 Seledon Park New Berners Hotel, W1

Bowater Conference Centre.

Café Royal, W1 Piecadilly, WI Dubai

Portman Hntel, Wi Grasienar House, Wt Tawer Hotel, Et

Waldorf Hotel, WC2 Rarbican Centre

Inter-Continental Hotel, WI

Kensington Hillon Hotel Hilton Holel, W1

Hyde Park Hotel, Wt

Anyone wishing to offend any of the obove events is advised to telephone the organisers to ensure that there has been no change in the details published.

Financial Times Conferences

THE SEVENTH PENSIONS CONFERENCE

London - 3 and 4 February 1982 This conference will provide an opportunity to debate the Government's proposals to cut the 10% atthe rempanies contracting out of the State earnings related scheme and for participants to make their views known. Mr George H. Ross tiophey, former President, National Association of Pension Funds, and The Rt Hon Lord Byers, OBE, Chairman, Company Peosions Information Centre, will take the

Chair during the two days. THE EUROMARKETS IN 1982

London - 9 and 10 February 1982 In the light of the latest economic developments in France, the Financial Times is pleased to approprie that M. Benon Joliret, Advisor, Ministry of Ecoonmy and Finance, will be giving a major address at the above Conference.

INDUSTRIAL RELATIONS London - 29 and 30 April 1982

The Financial Times will be presenting a major conference covering the principal issues of conference

The state of the s

All inquiries should be addressed to: The Financial Times Limited Conference Organisation Minster House, Arthur Street London EC4R 9AX

Tel: 01-621 1355 Telex: 27347 FTCONF G Cables: FINCONF LONDON

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Agua y Energia Eléctrica Sociedad del Estado

Invites competitive bidding from consulting firms in order to select a contractor for consultancy services required for comprehensive review and critical analysis of documentation for the

detailed design (Proyecto Ejecutivo) of Cierre Sur (Chapetón) (Main Dam at Chapeton), review and/or development of construction work and equipment schedules, updating of economic and financial studies, and the development of a project management organization chart. This International Invitation to Tender is open local consulting firms (either individually or associated), or for foreign ones belon-

ging to countries holding diplomatic relations with the Argentine Republic. It shall be mandatory that foreign bidders be associated to one or more Argentine independent or syndicated consulting firms. The contract shall be awarded upon consideration of backoround, methodology, personnel involved in the work, and general qualification, together with the premise of reasonable pricing.

The tender dossier may be obtained from AvE. Lavalle 1554. ter, pisc. Oficina 107, (1325) Buenos Aires, República Argentina starting January 4, 1982 from 8:30 a.m. to 12:30 p.m. Price of each copy: TWENTY MILLION PESOS (\$ 20,000,000), (approximately uSs 2,000).

Tenders may be submitted before 12 a.m., March 30, 1982 whereupon all bids shall be opened in the presence of interested parties attending at the time, and a record of the procedure shall be duly drawn up.



KUWAIT INTERNATIONAL FAIR CO.(S.A.K.)



invites companies, specialized in the construction of exhibition partitions and other related materials used in exhibition grounds, to submit their products anich specified with price lists along with any other resevant information, addressed to:

Humait International Fair Company (S.A.K.) F.C. Bor 556, Satat, Kuwait Tels of 23540 IMPAIR KT.

Housing Executive

Tenders are invited for the supply, delivery installation and maintenance of Word Processing end Electronic Mailing Systems 118 Worl Stations†.
Tender larms, specifications orc, nuv be objeined from the Olice Services Osparlinent, The Honoring Centre.

2 Adeleide Street, Sallant BTZ SPB Interprete Bellest (0232) 40588, extensione 2185, 61 and completed Tendars, sealed in enselops provided, must be returned to this address not later than 3,00 pm Thesday 9th Fubriary 1982 The Exacutive is not bound to

accept the lowest or any Tonder, (J. R. GORMAN)

REPUBLIQUE TUNISIENNE

SOCIETE TUNISIENNE DE L'ELECTRICITE ET DU GAZ

INTERNATIONAL CALL FOR

TENDERS La Societe Tunisienne de L'Electricite et du Gaz (S.T.E.G.) is proposing to launch an international call for tenders, within the framework of its "development of the transport network" project, for the supply, assembly on site and industrial commissioning of the fol-

lowing equipment: - Three 'HT/HT' autotransformers

- Fourteen 'HT/MT' transformers

All the equipment necessary for the construction of eight new 'HT/MT' stations and the extension of nine existing 'HT/MT' stations. Constructors interested in this tender may obtain the tender documents as of 25 January 1982 from the headquarters of Steg, address: Departement Equipement reseau de Transport, Batiment F. 38 Rue Kemal Ataturk. Tunis—on payment of the sum of two (2) hundred Dinars, or equivalent in foreign currency.

The final date for obtention of the tender documents is 12 February 1982.

COMPANY NOTICES

CITIBANK, N.A., London

NOTICE TO HOLDERS OF EUROPEAN DEROSITARY RECEIPTS (EDRs) IN. UNY CO., LYD. IS HEREBY GIVEN that No. 3. Standard to the SOI as and for called both of the divided on the SOI as and for called both of the divided on the free shares.

In approval of the dividend notice with the published status of the dividend actual oats of parents of dividend the called by the soil of the status of the soil of the soi

January 25 1982

CLUBS

Resolution "That the commany, being an old outsite canagem, be not re-registred under Section 8 of the Commandes Act 1980 s. a public company, 1980 s. a public company, 200 miles are rectified to act of the commander of the commany, 10 attend and water of the commany, 10 attend and with on his of her behalf.

27 Fortigad Terrace.

18 THOMPSON, Secretary

18 Total Commany, 10 attend and 18 of the commany. 18 of the commany 18 of the commany. 18 of the commany 18 of the commany. 18 of the commany 18 of the command the comman

THE GREENCROFT ESTATE COMPANY

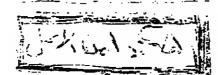
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8.7



Computer power costs fall

LOUISE KEHOE in California, in the first of two articles, reports on the dramatic price and performance changes in new microcomputers.

Performance

In terms of performance capa-

hility, the model 16 outclasses

anything that Apple or Commo-

dore have to offer. It is difficult

to make price comparisona hecause capabilities differ, but a

basic configuration of the Apple

III costs about \$3.750, while the

IBM personal computer is

But prices are deceptive. The

THE COST of computer power is taking a nosedive with the announcement in the U.S. of geared to office applications and personal computer systems by can handle up to three users simultaneously. Its 16-bit centwo of the major manufacturers tral processor unit makes it in this field. This week, Tandy much faster than 8-bit machines Corporation unveiled its entrant such as the Apple II, Commoin the small business computer market — a 16-bil micropro-cessor based system with immense data storage capacity immense data storage capacity that will sell in the U.S. for less bigger, more complex comput-

Tandy's announcement came hot on the heels of Commodore International's introduction of a \$595 8-bit system that is the most powerful available at the Tandy has become the first of the "personal computer" manufacturers to nifer a 16-hit microprocessor hased system.

Simultaneously

This beats its closest rival, priced at \$4,950 hasic. Apple Computer, to the post.

computer is only one element of a system that for most business applications would include a orinter, additional data sterage devices and communications Al \$4,999 in basic configura-

tion, the Tandy enmouler comes with 128k bytes of internal memory and an eight-inch disk drive with 1.25 megabit capacity. Internal memory can, however, be expanded up to 512k and additinnal disk drives or a hard disk storage unit can be added. The company also announced a \$699 "dumh terminal"—an extension unit with a screen and keyboard that can be plugged into the model 16 to allow second and third users to take advanlage of its computing

Applications

With the model 16. Tandy will enter the small husiness computer markel and compete with giants such as IBM.

It will also join several recent entrants such as Fortune Systems. Convergent Technology (whose machines are being sold by NCR, Burroughs and others) nd Altos Computers who have auoched "super micros" into he office computer field.

As with any new computer model 16. The company is also and Altos Computers who have lauoched "super micros" into the office computer field.

Louise Kehoe wrote this article using an Apple microcomputer, and transmitted it to the FT in London via a modem and software which enables the microcomputer to link into the paper's telex system.

system, the mudel 16 lacks ready made applications programs. But Tandy has gone a long way towards solving the problem by incorporating an extra microprocessor-the Z80 -wblch can he used to process programs that were originally designed for use on its top aelling model 11

Capabilities



uffering an upgrade kit to aburt term advantage, but the owners of its model 11. By plugging in a new circuit board carrying the 68000 microprocessor. Model 11 nwoers will have the full capabilities of the Model 18

most significant point is that Tandy got there first with the 68000 based system."

While Apple is also believed to be developing a 68000 hased system, the company will make Jean Yales, an industry analyst at Gnostic Concepts, Menlo Park, Califoroia, says:
"Adding compatability with the Model 11 will give Tandy a

because of their lack of a new

Currently, ... Gnostic Concept's figures, Tandy leads the personal computer market with an installed base worth \$385m (June 1981).



Howmeter

rater injection, drillin and coment and shittee ha been designed by Euron Flometers 31, Cross, La Road, Housslow, Middx (61

sure drop no reduction pipe hore and has an inci-life it is available in one

Hitachi denial

(RAM).

the company plans to mass production in 1985 boost output to 100,000 c.

Eaton announces power divider all-wheel-drive system

division in the U.S. newly designed power divider and front steer/drive axle, the AWD eliminates the traditional transfer gearhox, thus allowing significant increase in payloads. The 6 x 6 version directs 75 per cent of the available driving torque to the lnad-hearing tandem.

Modified

is built around the usual two gear power dividers in the company's tandems.

In the AWD the power divider has been modified to accept a helical transfer gear, additional shift levers are not

AN all-wheel-drive system for This is in constant mesh with medium and heavy duty the pionion helical gear and vehicles, claimed as compact floats on a straddle mnunted and relatively lightweight, bas output shaft.
heen designed by Eaton's axle

A aliding

A aliding clutch splined to the output shaft is moved in: Eaton says that using a and out of engagement with the transfer gear by a driver-con-trolled air valve. The elutch locks the transfer gear in the output shaft, directing power to the steer/drive axle driveline. In tandem axles this air shift

system also engages the inter-axle differential lockout simultaneously. This ensures optimum power distribution in poor traction conditions.

Assuming equal, or near equal traction for all wheels, The AWD package is accept-able to a number of standard the system distributes 25 per Ealon axle models because it cenl of the power in the front and 75 per cent to the rear wheels. This compares with the usual 50-50 distribution in transfer gearhox drivetrains. Eaton claims that because

and maintenance easter.

The company is offering steer/drive axles in 16,000 and 18,000 lh capacities, and single axies for use in four wheel drive chassis from 18,500 to 35,000 lb. Tandem axles for six wheel drive chassis are available from 35,000 to 65,000 Ih capacitles.

A choice of single reduction, dual range or planetary double reduction :gearing is available on most models.

Eaton Truck Components is Staines Road, Hounslow, Middx (01-572 7313). MAX COMMANDER

Lithium battery

A LITHIUM battery for memory preservation applications, developed for the C MOS RAM market, has been developed by Saft (UK). Designated the Dataguard range, it is available in three versions — 500mAh, 1,600 and 3,600mAh.

Safl says that the range has shelf life of more than ten years. The hatteries are chemically inert, non-loxic and available with terminations suitable Saft is on 01-979 7755.

for PCB mounting.

Door latch

EMIDATA has developed a compact unit which, installed on or near a hotel room door and used in conjunction with an electric latch, enables EMI's highly secure Watermark magnetic card to he used fur room access in place of the conventional key.

About the size of a pack of cigarettes, the unit contains its own microprocessor and needs no external data processing facilities. A high level of security is claimed for the Watermark magnetic stripe, in which a confidential ten-digit identity number is permanently encoded by a patented process during manufacture,

It is claimed that the coding cannot be erased or altered in any way without destroying the card, and it is read with a specially designed magnetic head. But conventional, erasible data can be overwritten if necessary.

The unit designated 1004 SDU, is arranged as a, "letter box" allowing the card to be inserted



Twin booms materials handler by Teleshift

at speeds between 50 and 1,000 mm/sec. The identity number seen hy lhe reader is compared with the internally held digits and if they malch, a "bleep" is emitted and the latch nperated. Emidata Systems is on 07535 53111.

TELESHIFT, a twin boom Pallet forks are Mandard of materials handler based on a buckets, grabs and forks am steering tractor skid unit be fatted quickly by a shape capable of lifting a 30 cwt load locking lever or by imports to 16 feet has been introduced control from the cab panels of ramers by RWC Develop details from RWC. Demind the ments of Ledbury Hereford Trading Estate, Keilhard (1831).

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leatures a CP/M operating system allowing a whole range of existing software packages to be used.

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and a graphics workstation. From the moment it enters your office - the HP125 will improve your department's productivity, help you with your day to day information handling and accounting needs and give you better management control. Starting at under £5,000 the HP125 system comes with the full back-up services from Sumlock Bondain and the complete support and resources of Hewlett Packard.

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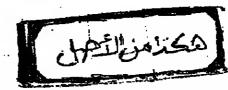
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United Mizrahi Bank Ltd.-Los Angeles Branch

SECURITY PACIFIC BANK







To encourage the others

EUROPE IGNORED the upward at around 91 per cent, although trend in U.S. interest rates last still well down un the week. pendence rates were cut in per cent from 15, per cent the week. Io a defiant act of inde-London, Frankfurt, Paris and since immediately after the discount rate reduction in clearing banks in cutting base Amsterdam, but call money in lending rate to 14 per cent Frankfurt was slightly firmer from 14! per cent.

FT LONDON

bid 14 3/15

INTERBANK FIXING

S months U.S. dollare

bid 15 5:16 , olfer 15 7:16

The fixing rates (Jan 22) ere the arith-

offer 14 17/19

Paris carl money fell to 15

Amsterdam. This concerted election of President Mitterraod effort seems to have followed a last May, although this meeting of finance ministers appeared to be more the result from the major economies the of money market liquidity previous weekend. The German rather than any European drive Bundesbank acted to encourage to stimulate economies hamthe others by cutting its special Lombard rate to 10 per cent from 101 per cent on Thursday, giving the Dtuch central bank of the courage to reduce its dis-count rate by a similar amount at 13% per cent on Friday. In to 81 per cent. On Friday official a related move National Westcall money fell in line with the minster Bank led the other

Heavy tax psyments and
maturities of the lerge stock of
bills held by the Bank nf
England, continued to keep the
London money market very
short of funds, but the authori-
ties gave plenty of help and
encouragement by cutting its
market dealing rates each day.
Well over £2hn of hills were

during the week, making about £4bo over the last fortnight. Interbank interest- rates fell in live with the trend, particularly on Friday after the bank base rate cuts. Seven-day money fell to 14; per cent from 141 per cent, but the largest falls were in the longer periods. with three-month declining to

141 per cent from 15% per cent.

WEEKLY CHANGE IN WORLD INTEREST RATES

LTINDON	Jan. 22	change	NEW YORK	Jen. 22	ohange
Base rates 7 0ay Interbank 3 mth Interbank Treasury Bill Tender Band 1 Bille Band 9 Bille Band 5 Bills 5 Mth. Treasury Bills 1 Mth. Bank Bills	14 - 143	-0,0290 -1 ₂ -1 ₂	Prime rates Federal funds Federal funds 5 mth Treasury Bills 6 Mth. Treasury Bills 5 Mth. GII FRANKFURT Special Lombard One Mth. Interbank Three month	15,26	Unch'd +14a +1.87 +0.51 +1.60 -0.6 -0.35 -0.26
TOKYN Ine month Sills Three month Sills	1 - 65675	0.000	PARIS Intervention Rate 1 Mth, Interbank Three month		Unioh*d
BRUSSELS Inc month Three month	154 151 ₄	1 ÷ 3g	MILAN : Ine month	20;; 21;	Unch'd Unch'd
AMSTERIAM One month Three month	10 10 10	Fag it ,	Dustin Die month Three month		Ugeh'O

Lendon—band 1 this majure in up to 14 days, band 2 bills 15 to 33 days, and band 3 bills 34 to 63 days. Rates quoted represent 8ank of England buying or selling rates with the money market. In other centres rates are generally depositives in the demositic money market, and their respective changes during the week. "Last dealt on Thursday.

Jan. 92 . Jan. 15		Jan. 22	Jan. 15
Bills onoffor*	Top accepted rate of discount' Average Average yield. Amount on offer al next tendor		
°91 daye			

BANK OF ENGLAND TREASURY BILL TENDER

LONDON MONEY RATES

Jen. 92 1982	Certificate of deposit	Interbank	Authority doposite	negotiable bonds	Keuse	Оотпралу	Market Deposits	Treasury	Eligible Bank Bills &	Fine Trade Bille
Overnight		10.TB ·	1412-16	1	~	1419-1479	14-144			
2 Oays notice	: –		14 lg. 145a	· · i	***	· - ·	~	-	_	
7 days or		-		1 - 1	-	-	'	_ (_
7 days notice	_	14 4 15	145g-143a	: . — }	_	144-15	134-144	_		
Ine month		14 to 145g	145g	1536-15	14.3		1334-1378		14	1434
Two menths	1412 1436	145a 145a		154.14%	1472 1473	1 1434	15mg-137	1372-13:	13#	1454
Three months.	14 . 14	14 -14	1412	151g.1434	146	1434	154-154	1316 13.2	134.133	. 1436
Six months	14, 14	14 - 14	1412	1414-14	1413	1		-016	1310	1414
Nine months	14141	14 14 2		1478-141r	1412	ì		· -		14.4
Ine year		14, 14,	1412	144 143	1412	1 =	! = :			_
Two years			1434.147]				_

Local authorities and finance houses seven days' notice, others seven days fixed, Long-term local authority mertigage rates normally three years 144-147s our cent; lost years 144-147s per cent; five years 144-147s per cent; four months trade bills 142, per cent; four months trade bills 142, per cent; four months trade bills 142, per cent; four months trade bills 143, per cent; four months trade bills 143, per cent; four months trade bills 133, per cent; four months 134-134, per cent; for months 134, per cent; for months 144, per cen metric means, rounded in the nearest one-sinteenth, of the bid and offered rates for SIOm quoted by the market to five reference banks at 11 am each working day. The banks are National Westminator Bank, Bank of Tokyo, Oeutsche Bank, Banque National de Paus and Morgan, Guaranty Trust.

fundamental transfer in the finance in the finance

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Jan, 22	Storling	U.S. Dollar	Ganadian Dollar	Dutch Gullder	Swise Franc	West German Merk	Frenck Franc	ftalian Lira	Convertible	Japanese Yes
Short term	1412-1441 1458-1472 1412-1458 1412-1458 1412-1452 1412-1453	1354-1374 1374-14 1374-1474 1459-1474 1574-1574 1574-1874	13.14 13-14 14 ½-14 ½ 14 ½-14 ½ 15 ½-16 16.16 ½	978-10 072-10 978-10 1018-1014 1014-1014	617 17-1712 912-814 812-854 812-812 812-812	934 914 974 91 10-1014 10-10-4 1019-1014 1014-1014	14% 1618 14% 1513 1434 1614 1514 1514 16 1612 17 1712	18-20 1812-2012 9114-2214 22-54-23 23-54-24 23-12-2412	15-17 15-19 1612-1912 1914-204 1934-2034 1854-1931	559-573 619-614 614-614 614-614 634-674 617-612

50R linked deposits: one month 121-12% per cent; three months 1214-1334 per cent; six months 1334-1334 per cent; one year 133-1344 per cent. ECU linked deposits: one month 133-1344 per cent, three months 1334-1445 per cent; six months 134-1437 per cent; one year 144-1437 per cent. Azian 5 (closing rates in Singapova); one month 1334-1445 per cent; three months 144-1437 per cent; six months 1534-1535 per cent; one year 154-1537 per cent. Long-term Eurodollar live years 144-1376 per cent; three years 154-16 per cent; four years 154-16 per cent; five years 154-1637 per cent nominal closing rates.

The following rates were quoted for London deliar certificates of deposit; one month 13.80-13.90 per cent; three months 14.25-14.35 per cent; six months 15.05-15.15 per cent; one year 15.30-15.40 per cent;

CURRENCIES AND GOLD

Dollar softens

last week despite the treods in interest rates, which kept U.S. rates firm but led to reductions in London and several Continental centres. The Federal Reserve intervened to drain liquidity and pilsh up the cost of overnight money in New York while there was a general expectation of a fall in the money supply after the previous

Eurodollar rates were firmer. with three-month rising to 143 per cent from 143 per cent, but Eurosterling, and most other Euromarket rates fell.

The dollar's trade-weighted index, as calculated by the Bank of Eogland, rose to 109.3 per cent from 109.0 per cent. The U.S. currency weakened to DM 2.3065 from DM 2.3125 against the D-Mark; to SwFr 1.8525 frnm SwFr 1.8575 against the Swiss franc, but was uochanged at FFr 5.87 in terms of the French franc. and rose in Y227 from Y224.50 against the yen.

Early in the week the downward trend in Europeao interest rates was accompanied by strong inlervection by central banks, touched a low of \$36 censing the dollar to lose Monday and a high ground on Monday despite \$379-380 on Tuesday.

GOLD

The dollar weakened slightly rising Eurodullar rates on the

supply figures. Sterling 10uched a peak nf \$1.9000 on Tuesday, boosted by the initial indications that the National Union of Mineworkers It showed little change on the week however, finishing at \$1.8730 compared with \$1.8685 oo the previous Friday.

The Dutch guilder remained the strongest member of the Europeao Mooetary System, followed by the French franc-The Dutch currency seemed little affected by the cut in the Netherlands central bank discount rate, while the Belgian franc improved slightly, hut slayed the weakest EMS currency.

The only other significant movements involved the Irish punt and Danish krooe, both of which lost ground during the wcek.

Gold had a quieter week after its previous fall of \$24. The metal fell \$11 to fioish at and featureless trading. touched a low of \$366-367; on Monday and a high point of

Jan. 91

•	Jan 22	spread	. Close	Ine month	p.s.	months	p.s.
	ũ.ś.	1,8950-1,8910	1.8725-1.8735	0.12-0.02c pm	0,45	0.10-0.20dis	-0.32
	Canada	2.2270-2.2410	2.2345-2.2355	0.03cpm-0.07dia	-0.11	11.35-0.50die	-0.76
	Nethind.	4.71-4.75	4.73-4.74	14-14c pm	4.12	43-43 pm	3.80
	Belgium	73.00-73.60	73.45-73.55	10-30c dis	-3,26	100-120 dis	-5.99
	Oenmark	14.05-14.15	14.14-14.15	134-140re pm	0.64	1-2 dis	-0,35
	Ireland	1.2195-1.2280	1,2245-1,2265	0.28-0.39p dis		1.13-1.29dis	-3.95
	W. Gor	4.294,-4.331,	4.314-4.324	17-13-pf pm	4.51	41_4 pm	3.93
	Portugal	124,50-125,50	124.88-125.10	35-150e dis	-9.35	130-410 dis	-9.54
	Spain	184.25-185.50	184.60-184.80	15-30c dis	-1.46	80-105 dis	-2.00
	Italy	2.308-2,319	2.315-2.317	13-16 lire dis	-7.61	452-4812 dis	-8.12
	Norway	10.95-11.04	10.987-11.001	17g-15gGre pm	1.77	2-74 pm	0.52
	France	10.93-11.01	10.991-11.001-	1,-14c dis	-0.82	34-41, dis	-1.32
	5weden	10.50-10.58	10.52 - 10.53	21-17-0re pm	2,28	5-4's pm	1.73
	Lapan	420-428	4241-4251	3.10-2.60y pm	9.33	9.30-8.00 pm	7.57
	Austha	30.15-30.35	30.20-30.25	1512-912gro pm	4.96	38-28 pm	4,37
	5witz.	3.441-3.485	3.464-3.474	23-13c pm	6.48	51, 47a pm	5.90

THE POUND SPOT AND FORWARD

Selgran rate is for convertible francs. Financial franc 82.25-82.35. Six-month forward doller 0.90-0.90c dis., 12-month 1.55-1.75c dis.

THE DOLLAR SPOT AND FORWARD

Jan 22	ebteed	Clase	Dire month	p.e.	mon the	p.s.
UKT	1.8660-1.8810	1.8725-1.8735	0.12-0.02c pm	0.45	0.10-0.20dis	-0.32
irelandt	1.5273-1.5340	1.5270-1.5290	0.52-0.42c pm	3.68	1.45-1.30 gm	3.59
Cenada	1.1923-1.1935	1.1930-1.1935	0.74-0.07c dis	-0.55	0.10-0.14drs	-0.40
Nething.	2.5200-2.5300	2.5250-2.5300	0.90-0.80c pm	4.04	2.74-2.64 pm	4.26
9sigium	39.13-39.25	39.23-39.25	9-13c die	-3.37	47-52 die	-5.06
Oenmark	7.5275-7.5525	7.5475-7.5525	per-kore die	-0.20	0.35-0.95dle	-0.32
W GBI.	2,3000-2,3090	2,3060-2,3070	0.80-0.73pf pm	4.03	2.48-2.43 pn	4.26
Partugel	66.60-66.90	66.70-66.90	20-80c dis	-9.99	60-200 dia	-7.73
Spain	28.60-95.80	98.60-99.70	15-25c dia	-2.43	35-50 dis	-1.72
Italy	1.234-1.2375	1.23512-1.23715	73-8 lira die		22-24 dis	-7.45
Norway	5.8660-5.9720	5.8670-5.8720	0.55-0.15ore pm	0.73	1.15-0.75 pm	0.65
France	5.8525-5.9750	5.9875-5.8725	0.35-0.50c die	-0.97	1.25-1.50dle	-0.94
5wedcn	5.6210-6.6340	5.6210-5.6230	1.00-0.80ore pm	1.34	2.30-2.45 pm	1.90
Japan	225.90-227.50	226.95-227.05	1.55-1.40y pm		4.40-4.25 pm	
Avstria	16.12-16.145	16.12-16.13	7-54gre pm	4.74	201-171, pm	4.71
Switz.	1.8440-1.8540	1.8520-1.8530	0.93-0.88c pm		Z.75-Z.65 pm	
t uk	and Ireland a	re quoted in U	5 currency. Fe	brward	premiums at	nd .

FORWARD RATES AGAINST STERLING 1 month 3 month 6 month 12 month

EMS EUROPEA		URRE				j
O-Mark French Franc Swiss Franc Japanoso Yen		4.3063 11.007 3.4538 422.1	4.2775 11.036 3.4213 416.8	4.2411 11.1103 3.3873 409.8	4.1570 11.2699 3.2808 396.4	
Odilar	1.0140	1.3/20	T-9149	T-0013	1.0033	

·	ECU central rates	emounte against ECU January 22	from central rata	% change edjusted for Oivergence	Divergence
Selgian Franc	40.7572	41.5617	+1.97	+ 1.11	±1.5368
Oanish Krone	7.91117	7.99676	+1.08	+0.22	÷1.6412
Gorman O-Mark	2.40539	2 44204	+133	+0.47	± 3.1077
French Franc	6.17443	6.21068	+0.59	-0.27	-1.3733
Nutch Guilder	2.66382	2.67565	+0.44	-0.42	±1.5063
Insh Punt	0.684452	0.692962	+1.24	+0.38	±1.6688
Italian Lira	1300.67	1309.71	+0.70	+0.59	+4.1228
		CV, therefore djustment calc			

Starting/ECU rate for January 22 0.568885

Resed on trade weighted changes from Meshington agreement December, 1971,

CURRENCY RATES

Bank: Special rate Ilrawing Rights

0.614524 0.966685

		Coins				rates	January 2
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Victorie Sovs	\$10512-10612 \$90-100	(£48.531 ₂ 1 '	890-100	1£474-53)			ECU, therefo
50 pesos Mexico 100 Cor. Austria.	\$464 468 \$365-368	(£248-250) £195-196 ⁵ :1. £2674-270	\$468-479 ! 8368-371 ! \$500-505	(£24812-25012) (£19512-197) (£26512-968)		-	rete for Jan
1		1	1		CURRENCY		1.
Jan. 22	£	8	-	Note Rates	Jen. 92	England	Morgen Gueranty Changes
Argunties Paso	19,598-18,618:	8,900-9,850+	AustriaBelgium	30,10-30,40 62-83	Charling	90.9	-35.0
Austraile Dollar	1,6850 1,6570	121 66 120 00	Denmark	14.02-14.17	Stering		+2.6
Brazil Gruzoiro Finland Markka	0 056 9 274		Frence	10.91-11.01	Canadian doller	88.8	-16.5
reek Brachme.	109.501-119.895		Germ 3-Ty	4.28-4-4.32-4	- Austrian schilling.	· 110.9	+24.8
Hong Kong Dollar	10.99-10.91	6.8125-5.9225	Italy	e560-2410	Beigien franc	104.7	+7.8
ran Riel	150,60	80,00	Japan		Danisk kroner	86,4	10.9
(wwait Dinari KD)	0.529-0.535		Netherlands		Deutsche mark		+45.4
b-1126 Fe	78 45.78 55	39,23-39,25	Norway	10,94-11.04	Swiss franc		≠ 103.6
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stk. African Rand J.A.E. Dirham	1,8185.1,6205	.0716.0-01160	United States Yugoslavia		Based on trade we Washington agreem		

Gold Bullion (fine ounce

† Now one rate. * Selling rate.

Jan. 22	PoundSterling	U.S. Dollar	Deutschem'k	Japan'seYen	FrenchFrenc	Swiss Franç	Dutch Guild'	Italian) ra	Canadia Dollar	Belgian Fra
ound Sterfing	0.534	1.873 1.	4.363 9.808	424.0 286,9	11.00 5,873	3.473 1,854	4,735 2,528	2315. 1237.	2,235 1,103	73.50 39.34
i.s. Dollar	0.251	9.438	10.17	98,32	2,545	0,803	1.095	035,8	0.617	17.00
Igutschomark	2.365	4.407		1000,	25,68	8,171	. 11.14	5449,	5.259	172.9
apaness Yan 1,000	0,909	1,703	5.930	586,4	10.	5.167	4,305	2105.	2,032	55.82
renck Franc 10		0,539	1.245	122,4	· 3,168	1.	1,354	687,0	0,644	21.17
wiss Franc	0,211	0.396	0.91ō 1.866	89.76 188.5	8,323 4,750	0.735 1.499	1, 2,044	489,1 1000.	0,472 0,965	15.52 31.74
alian Lira. 1,600	0,447	0.858	1,034	190,2	4,922	1.554	2,119	1036	1.	52,89
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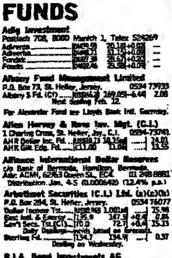
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CORAL INDEX Close 562-567 (+7)

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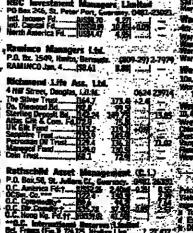
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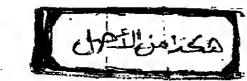


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Financial Times, Bracken House 10 Cannon Street, London EC4P 4BY Tel: 01-248 8000 Ex. 3461 Telex: 885033 FINTIM G

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INDUSTRIALS Continued PROPERTY—Continued OIL AND GAS-Continued INVESTMENT TRUSTS-Cont. Stack Price at Mit Dw Grs P/E Price 1 9 Nov. July Eng. & Internal

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Financial Times Monday January 25 1982

FINANCIALTIMES

Monday January 25 1982



Howe may have scope for modest tax relief

By Peter Riddell, Political Editor

THE GOVERNMENT may have scope in the Budget for modest tax relief within existing public sector borrowing constraints, according to official indications detected by Tory MPs at West-

But any relief is likely to fall short of the demands made by the handful of strong Cahinet critics of Treasury policy and by the 30 to 40 backhench critics, the so-called "wets." The internal Tory debate

about the size and nature of any expansionary measures will increase over the next few days, ahead of the Cahinet discussion on Budget strategy, and tha Commons debate on the econ-

omy, both on Thursday. These will follow the announcement tomorrow of an incre2se in the "hesdline" total of unemployment to more than

The signs are that Sir Geoffrey Howe, the Chancellor, has some room for manoeuvre in disarming most of his critics and heading off any sizeable rebel-lion. Mrs Thatcher is, however, keen to avoid any talk of relax-

sector borrowing close to the £9hn implied by the mediumterm strategy.

But horrowing in 1982-83 is projected to he at least £1bn below this on some estimates. This is on the basis of current policies, assuming increases in income tax allowances and indirect tax duties in line with

This reflects the huovancy of tax revenue and the impact of North Sea oll and gas sales. These estimates are still highly provisional, although the public sector pey outlook is looking after the miners'

clearly strengthens Sir Geoffrey's posi-tion, though it is unclear how far he will indicate his hroad intentions at Thursday's Cabinet or whether he will merely listen to his colleagues

The tactics and aims of Cabinet and backbench critics arc still somewhat dis-organised. The few strong Cabinet critics generally favour £2bn to £3bn of expansion, But Minister, may be sympathetic

to larger-scale measures. Many other Ministers, possibly up to half the Cabinet, are looking principally for some geometised move in the direc-tion of relief, or "positive" action, which they may well get. Some of the most active backbench critics favour expansion in the £2bn to £3½hn range, takiog public sector borrowing to between £11bn and £12hn in 1982-33, though in many cases their demands are not so pre-

cisely articulated. But a bandful of MPs support reflation of £6hn-plus. This group includes a few who have been talking to the Social Democrats and two or three who may defect after the

Tory backhench critics generally are divided about whather to limit their activities to private talks with Minsters and meetings of backbench specialist committees, or whether to go public in speeches or by gathering signatures for early day motions, a measure of proabout provoking a loyalist backlash,

The "wets" also recognise their weakness, in that it is much more difficult to opnose a neutral or mild Budget than a Lombard, Page 13

Continued from Page 1

Midland

expanded exports in spite of high exchange rates and low profit margins. In many cases exports have more than doubled as a percentage of turnover.

The CBI report notes that while recession has been the dominant cause of industrial change, it has also belped to create the circumstances in which change is most difficult depressed profitability, shortage of finance and a slump in business confidence.

Even where the process of adjustment had proved successful, many of the benefits would remain dormant until demand improved, the report concludes. The CBI notes: "Success in

raising competitiveness can only be sustained if government acts to remove some of the externally composed constraints on companies, while doing what it can to secure economic stability and encourage business confidence.

The region, which has cast doubt oo Whitehall and Westminster reports of an upturn in economic activity, calls for a cut in government-imposed costs on business.

It urges lower and more stable interest and exchange rates, and an immediate increase in public sector capital spending to stimulate economic

Labour to discuss role in corporate planning

BY ELINOR GOODMAN, POLITICAL CORRESPONDENT

o involve a Lahour government in key corporate decisions such as pricing strategy and product development are to be discussed by union and Lahour Party leaders this week.

Central to the proposals is form of development contract which would replace the last Labour government's ill-fated planning agreements and involve unions as well as the government and management. These contracts would be hacked up by sanctions and negotiated annually with all Britain's largest companies by a national planning agency.

The ide ais that the development contracts ahould bave eventually a similar status to othed collective agreements and he based on a mutually-advantageous flow of information between companies and national

Union Congress Liaison Committee this week. Though they may well be modified they are likely to feature in some form in the Party's industrial strategy at the next General Election.

long been a central part of Labour's Alternative Economic Strategy. The last Labour Government, however, failed to make any real progress towards implementing planning agreements, to the frustration of many in the Lahour movement.

TUC Liaison Committee, which brings together union and Labour leaders, is working on a set of proposals for national contracts would almost cer-planning which would involve tainly have to be backed up by unions, at all levels, much more statutory powers. Precisely what cloaely than under the previous planning agreements.

CONTROVERSIAL proposals to a aub-committee of the Trades racy in an attempt to influence key area of corporate decisionmaking, and so ensure individual companies' decisions are in step with the Government's national strategy.

The planners would try to

Government involvement in reach agreement with companies corporate decision-making has over a whole range of issues which the committee believes are of common strategic im-As well as pricing, which the

powerful weapon for planners these issues include questions of development, training policy, import penetration and indus trial democracy.

Nevertheless the committee

seems to think the development these powers should be is one of several areas in which the com-The proposals are contained The idea is to link economic mittee still has to complete its in a draft document to be put planning with industrial democ-

EEC in final effort for agreement Judging by reports of MPs' talks with Ministers, the Treasury wants to keep public on Britain's budget contribution

BY JOHN WYLES IN BRUSSELS

agreement on an elusive form of words to yield a long term solution to Britain's difficulties with the Community hudget. But they will leave some of the Common Agricultural Policy's most serious problems virtually un-

After at least nine rounds of discussion and negotiation since last September, the Ten's foreign ministers have ministers assembled a package of guide-lines for Community reform which could be completed today with a formula on the future of milk production and a resolution of the British budget problem.

Today's negotiations will pick up where the ministers left off ten days ago when they made surprising progress on the bud-It is olear that the price to be

EEC GOVERNMENTS will to-day make a "final" push for Foreign Secretary, for a budget agreement is acceptance of a formula on milk which will give special aid to up to 900,000 small dairy producers.

More crucially, France and Ireland are blocking any specific commitment to reducing the existing dairy surplus which is 15-20 per cent above market re-

budget revenues will eventually force this problem to be tackled and in the meantime a new budget agreement would largely insulate the UK from meeting the costs of any unexpected surge in farm spend-

ments to Brussels would be reduced.

However, the other Nine would not agree to Lord Carrington's demand for an agree-ment lasting five years, although the UK's original target had been a seven-year deal.

It is possible that Lord Carrington may take up the Nine's offer of a four-year deal. But he will also want a secure undertaking that there would The view in London appears be a review after three years to be that the celling on the with a possibility of extending the special hudget arrangements if the UK's payments to Brussels are still excessive.

He will be determined to fight off a bid led by France to ensure that the special payments offsetting the UK's budget contributions should be At their last meeting the reduced from one year to the ministers broadly agreed a next, irrespective of whether mechanism for determining the Britain's underlying budget

car market share only 14%

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

This is one indication of how

hard the group and its dealers will have to work if BL is to reach its targeted 21 per cent of new car sales in 1982. Ironically the efforts the group

made at the end of last year to squeeze its penetration up to 19,2 per cent for 1981 have had some impact on this month's performance.

Dealers were offered bonuses on the Maxi, Allegro, Princess and Metro in December if they could meet certain sales targets and this pulled forward some sales from January.

improved as the month pro- culating within the industry. gressed, boosted by a well advanced warning that Metro, Mini and Acclaim prices would

BL MADE a poor start to the rise hy an average of 4 per cent of its business from company year, and its market share in mid-Fehruary. The launch of car buyers, has still managed during the first three weeks of the revamped Rover range last around 31.5 per cent against January was only about 14 per week should also belp.

It is clear, however, that BL's same period last year.

January market share will be Vauxhall, following only a little above the madir of 13.18 per cent in June 1980. The worst figure last year was the so-called teahreak

At the same stage in January more 1981 BL had a near 18 per cent sales. market share.

The extreme conditions this winter have taken their toll and total car registrations after three weeks were down 40 per cent from the same period last year, from about 136,000 to However BL's performance 81.500 according to figures cir-

January is a month when Low morale at Leyland Vehicles. private buyers predominate. But Ford, which gets the hulk

easler availability of the new Cavalier, has pushed up its market share to more than 11 15.48 per cent in November, per cent compared with 6 per when the group was emerging cent. It looks, as if January will be the third successive month that Vauxhall will have more than 11 per cent total

January traditionally is also a good month for importers and in the first three weeks of 1982 the import penetration was nearly 60 per cent, up from 53 per cent, in spite of the Japanese share for the period heing reduced from 12 per cant to 9 per ceot.

Bathgate sit-in, Page 8

Pact sought on substandard ships

BY ANDREW FISHER, SHIPPING CORRESPONDENT

nations plan tougher action against substandard ships visiting their ports. A firm declaration on safety and pollution is likely to be signed at a meeting in Paris tomorrow.

The increased determination to crack down on operators of unsafe or ill-equipped vessels comes as a United Nations convention on marine pollution is being ratified gradually. It is due to come into force early next year.
British representatives who

will attend the Paris meeting hope the 13 West European countries will commit themselves to implementing the various laws and UN regulations

and claaner. Held on French initiative the meeting will include the members of the European Economic Community (except Luxembourg), Finland, Norway, Portugal, Spain and Sweden. It will be chaired by M Louis le Pensec, France's Minister of

Mr Ian Sproat, Parliamentary Under-Secretary of State at the Trade Department with responsibility for shipping, said he looked forward to a useful and productive meeting.

Two important maritime states, Greece and Italy, are expected to ratify the UN convention early this year. It has

WEST EUROPEAN shipping aimed at making oceans safer strict provisions to cut pollution, especially from tankers. A comprehensive safety convention

came into force last year.
The UN agency responsible for maritime affairs, the Londonbased Inter-Governmental Mari-time Consultative Organisation said the convention was the most important treaty adopted in the fight against marine pollution. Countries with fleets repre-

senting 41 per cent of world tonnage have ratified the convention, known as MARPOL. It will come into force one year after being accepted by the 15 countries representing half of the world merchant-fleet. West Germany last week became the

British Rail Continued from Page 1

early move towards setting up an inquiry, partly because of its bopes that Aslef will see how far BR bas moved, and partly because it recognises it may well be of little value if Aslef refuses to accept its findings.

Acas officials were stressing yesterday that binding arbitration, though unusual, was pro-vided for under the railways' negotiating procedures. Officials of the National Union of Railwaymen supported him, but Mr Bill Ronksley, former Aslef president, said compulsory arbitration had never been a normal feature of railway procedure.

The distance between BR and

ings tomorrow. Aslef seems unlikely in its difficult financial position to call an all-out strike, and instead is expected to call another two-day strike on Wed-

Union officials claimed yesterwould be of a successful settle-

For its part, BR seems almost certain to sanction the suspen- likely to sion of payments to about 70,000 quickly.

Aslef is likely to be emphasised of its workers not on strike when the Board and the union's but who have been turning up executive hold separate meet-

Sunday work does not fall under the railways' arrangements for payment of a guranteed week's work. At time and three-quarters, it provides up nesday and Thursday of next to a third of the week's wages for staff working Sundays.

About 15,000 maintenance day that their membership was ataff could also be affected, fully behind the strikes — and though some union leaders that the longer the strikes went were doubtful that BR would on, the greater the expectations take such a step. While suspension of Sunday payments is the first step towards shutting down the entire network, BR is unlikely to go much further very

Heseltine likely to amend rates Bill clause

By Robin Pauley

THE GOVERNMENT expected to remove the most

anxiety in the Local Government Finance (No 2) Bill, reflected in a number of backbench speeches in the second reading last week, is

This would allow the Government to withhold extra grant from councils as a surprise penalty for overspending targets. Councils would be forbldden from making up the loss through a supplementary

The ban on supplementary rates will remain but the clause is likely to be amended to prevent the Government

ment to argue that it has

part of lt confirms the arrangements in the 1980 Local Government Planning

measures are legal under the 1980 Act. The new clause makes "doubly certain." ministers

apparently feel there is a strong argument for the Government and councils to be bound by the same time constraints. The Department wanted to

the original proposals. These would bave forced a referendum before rates could be raised by more than a centraliv set amount. But three - GLC, Inner

and Camden - receive ro grant anyway, and are therefore unaffected by any surprise grant penalty. If the proposal is removed Mr Heseltine hopes back-benchers and local authorities

will have little objection to the rest of the Bill, It will establish an Andit Commis-sion to allocate anditors from public and private sector to

Government's power to act against an overshoot of the

Weather

fog, bright intervals. London, S.E., E., Central Northern, N.E. England.

Midhads, Borders, Edinburgh, Dull and misty with drizzle and hill fog at first Sunny intervals. Max. 12C (54F). Central Southern, S.W., N.W. England, Wales. S.W. Scotland, Central Highlands, N. Ireland

Hill and coastal fog and drizzle. Cloudy, Bright

Shetland Cloudy with hill fog Rain. Max. 8C (46F). Outlook: Rain will spread S.E. to all parts

WORLDWIDE

Vidite C 13	37 Luxmbg, C 1
Amsdm. C 3	37 Luxmbg, C 1
Athens R & a arcins F S	
	48 Madrid S 10
asirut 5 1a	14 Majorca F 12
Bellast C -3	27 Malaga 38 17
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Aisrritz R 11	52 M'chair C 4
emghm C a	43 Miamit C 24
Slackpl Fg 5	41 Milan Sn O
and C 8	48 Montri. + C-17
Boulgn. C 3 Bristol C 7	37 M'sc'w 6n -9
Bristol C 7	45 Munich C 0
Bristol C 7	36 Nairobi S 27
Brussels C 2 Rudosl. F -2	28 Naples S 11
	28 Naples S 11 64 Nwestl, C 2
Cairo C 12	
Cardiff Fg 7	45 N Yorkt C 7
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Cags T \$ 23	59 Nice S 12 73 Nicosia S 18
Chisg.t.C -a	12 Operto F 1
Contin. Sn -1	30 Oalo \$ -
Carty R 10	50 Paris F 2
Oublin R 70	50 Perth S 23
	50 Praque R -1
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Faro S 15	59 Rhodas F 16
Frankft. C 1	34 Roma S 12
Funchal F 18	64 Salzbg. Sl 1
Geneva C 3	37.5'tiagof F 13
Gibritt S 17	63 âtckhm, F-12
Gl'sn'w K b	43 Str'bg. Fg 1
G'nsey Fg 2	46 Tangier F 15
Holsinki C-10	14 Tal Auto C 33
H. Kong 8 23	73 Tanerile F 21
Inn'bk. Sa -1	34 Takyo C 11
	48 Trintof R ~
	39 Tunic R 11
vefolice: _	45 Valencia C 10
Jersey C 7	45 Valancia C 10
Jo'burg F 24	75 Venica F 5
L. Pims F 19	66 Vienna C -2
Lisbon Fg 10	
Lecarno F 1	34 Zurich C 1
C-Cloudy, F-1	Fair, Fo—Foo, R Rei
S-Sunny, Si-	Siget. SnSnow.
tNoon G	MT lemperaures.

controversial aspect of its local government legislation as new opposition mounts to its second attempt to get a rates The proposal causing most

from infinencing grant payable to conneils after the start able to conneils after the start of the financial year. The same time constraint will be placed on councils to fix their first and final rate.

Mr Michael Heseltine, Environment Secretary, is expected to change the offending clause in the committee.

ing clause in the committee stage, which starts today. This will allow the Govern-

bowed to the strong protests.

put forward by the local
authorities. It will also ease
the Bill's progress.

The clause cannot be
dropped altogether because

and Land Act for withholding grant from overspenders in the current year. Environment Department lawyers are not sure the

Department .

take strong action against about six authorities under

The Treasury may still object to the change, however, because it removes the

UK TODAY

Generally mild. Rain and

intervals inland. Max. 11C (52F). N.W., N.E. Scotland, Orkney,

THE LEX COLUMN

In the dumps Down Under

The Sydney All Ordinaries index earned a dubious kind of distinction on Friday by recorddistinction on Filiaty by recording its first daily rise of 1982.

After proving one of the most disastrous investments of 1981, the index has kicked off the New Year with a further fall of almost 9 per cent.

The Metal and Minerals Index has turned in an even worse performance and the general consensus among Australian analysis is that the market may bave further to fall before domestic institutions, which have been the heaviest sellers, can be tempted back.

The most immediate reason for the pronounced weakness in equities is the very high level of short-term interest rates. Prime rates of 164 per cent compare with an annual about 10 per cent and an average yield on resource stocks of close to 4 per cent. Ten-year government bonds are yielding 15 per cent or more.

The tighter monetary stance could I has already brought the growth supply in M3 back within the 10-11 per The cent target range but, with the current account likely to show a deficit of about A\$8bn in the fiscal year to June, the authorities are unlikely to regard that as sufficient reason

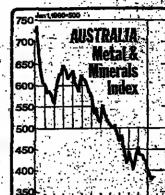
for loosening the reins, The Government is com-mitted to a reduction in tha overail budget deficit bnt, even if this is achieved, the weight of corporate loan demand is likely to maintain the pressure on bond prices. Fixed capital investment is set to increase by about 15 per cent in real terms during the current year. So, unless the U.S. Federal

Reserve permits a general eas-

ing in world interest rates, the

Australian equity market is likely to labour against an exceptionally high yield gap and very tempting deposit rates. The high cost of debt finance is itself likely to tempt several of Australia's largest resource companies to the equity market for funds. The interim reporting season will get under way next week and cash calls seem on the cards from Woodside

Petroleum, which has made the



resource sector of the funds it. requires for espital commit-ments. Woodside recently announced that it was deferring the second stage of its North-West Shelf gas development but elsewhere there are few signs of cutbacks. In the case of iron ore for example, pro-jects are being discussed which could lead to a heavy over

The equity market has certainly discounted a very gloomy. set of interim reports and a weak trend in base metal prices lasting well into the second half of this year. The optimists suggest that the market will soon begin to look for a recovery particularly in those metals—like nacked where stockpiles are not at alarming levels. But that view is excep-tional among Australian analysts and the small volume of buying which the market has principally from abroad...

For the international investor, Australia has lost much of the alture which kelped to drive the market up in the late 1970s. The past year has shown that while Australia may be located on the periphery of an area. enjoying remarkably high growth rates, that is no guarantee of secular growth in corporate carnings.

Moreover, Australia's indus-trial relations record has been badly tarnished by a series of strikes and the recent settle ment with the metal workers, providing wage increases of

tively low-cost producers and the genting effect of a mercus in metal prices wor be considerable. But to inform the market's dismest p night, Australia's own in

Inflating the past

reality is now being taken to the Accounting Standards Com-Dilitee, which is poblishing a on the drawang up of 10 year

rent cost accounts.

CCA having begin both fine 100 and open restricts. 10 year summaries are not exactly commonplace, but he ASC is observe concerned. That they should mean something as they are built up. Some brave companies. Districts and Tate and Lyle among them have strated adjusting the plantic started adjusting the plantic started pounds of the reparation into the pounds of the reparation reason and the ASC wants to extend and the ASC wants to extend a longer period, over which in adjusted information would naturally become increasingly

misleading.

It sensibly suggests that the retail price index should be used to inflate past years figures. Despite its imperiec. tions when applied to some companies experience of inflation, the RPI is remarkably close to the total final expendi-ture deflator over the long term. :IIS it is familiar, readily available calculated monthly and no subject to revision. The ques tion of whether average or and year indices should be used is left yery much open to dis

One of the best suggestion is 222 0 that total current cost equity interest per share, restated on a current porchasing power basis, should Bedding an essen-tial feature of a sen-year sum spring rights issue almost an annual event, Broken Hill, MIM Holdings and CRA.

In some cases, Australian companies have brought the cash shortfalls upon themselves. MIM for example, is spending heavily to boost its holding in Asarco, the U.S. mining company.

More often, the unexpected softening in base metal and energy prices has deprived the offering good value. Its capital so much the providing wage increases of tial feature of its final year and in the final feature of its final fea

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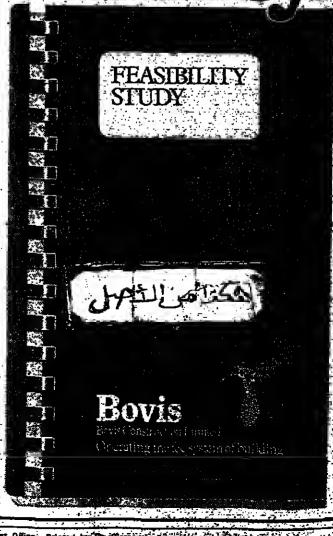
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